

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 1988**

53rd Legislature  
1993 Regular Session

Passed by the House April 22, 1993  
Yeas 67 Nays 30

\_\_\_\_\_  
**Speaker of the  
House of Representatives**

Passed by the Senate April 19, 1993  
Yeas 25 Nays 23

\_\_\_\_\_  
**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1988** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

---

ENGROSSED SUBSTITUTE HOUSE BILL 1988

---

AS AMENDED BY THE SENATE

Passed Legislature - 1993 Regular Session

State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Trade, Economic Development & Housing (originally sponsored by Representatives Sheldon, Forner, Wineberry, Wood, Shin, Jones, Peery, Roland, Flemming, Quall, Springer, Conway, Morris, Valle, Dorn, Campbell, Linville, Karahalios, Eide, J. Kohl, H. Myers, Kessler, Holm, Wang, Wolfe, Anderson, Appelwick, Orr, Ogden, G. Cole, Scott, Lemmon, Leonard, Locke, R. Fisher, L. Johnson, Rayburn, Pruitt and Patterson)

Read first time 03/03/93.

1 AN ACT Relating to employment and training; amending RCW 50.16.010,  
2 50.16.010, 50.16.020, 50.16.020, 50.29.025, and 50.29.025; adding a new  
3 section to chapter 50.24 RCW; adding new sections to chapter 50.16 RCW;  
4 adding a new section to chapter 50.29 RCW; adding new sections to  
5 chapter 43.131 RCW; creating new sections; and providing effective  
6 dates.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** The legislature finds that:

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

1 should provide unemployed workers a variety of effective services,  
2 including timely payment of unemployment benefits, job and career  
3 counseling, job referral services, and training.

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

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

11 NEW SECTION. **Sec. 2.** It is the purpose of this act to reduce the  
12 amount paid by employers in the state to the unemployment compensation  
13 fund by twelve one-hundredths of one percent of taxable wages.

14 It is also the purpose of this act to establish a separate fund for  
15 training and employment services for dislocated workers. This fund  
16 shall consist of contributions of twelve one-hundredths of one percent  
17 of taxable wages.

18 It is the intent of the legislature that this act not result in any  
19 net increase in employer tax rates.

20 It is the further intent of the legislature that the employment  
21 security department and the state board for community and technical  
22 colleges shall work cooperatively to ensure expeditious training and  
23 placement of dislocated workers.

24 NEW SECTION. **Sec. 3.** A new section is added to chapter 50.24 RCW  
25 to read as follows:

26 Employment and training trust fund contributions to the employment  
27 and training trust fund shall accrue and become payable by each  
28 employer consistent with the tax schedule in RCW 50.29.025 as now  
29 existing or hereafter amended, except employers as described in RCW  
30 50.44.010 and 50.44.030 who have properly elected to make payments in  
31 lieu of contributions, taxable local government employers as described  
32 in RCW 50.44.035, those employers who are required to make payments in  
33 lieu of contributions, and those qualified employers assigned rate  
34 class 20 under RCW 50.29.025 at the rate of twelve one-hundredths of  
35 one percent for rate years 1994, 1995, 1996, and 1997. The amount of  
36 wages subject to tax shall be determined under RCW 50.24.010.

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

3        There is hereby established the employment and training trust fund.  
4 All moneys in this fund are irrevocably vested for the administration  
5 of this title. The employment and training trust fund shall consist of  
6 all moneys from employment and training trust fund contributions as  
7 established in section 3 of this act. The treasurer of the employment  
8 security department shall deposit, administer, and disburse all moneys  
9 in the fund under rules adopted by the commissioner and RCW 43.01.050  
10 and 43.84.092 are not applicable to this fund. The treasurer of the  
11 employment security department shall be the treasurer of the employment  
12 and training trust fund as described in RCW 50.16.020 and shall give a  
13 bond conditioned upon the faithful performance of his or her duties in  
14 connection with the fund. All sums recovered on the official bond for  
15 losses sustained by the employment and training trust fund must be  
16 deposited in the fund. Notwithstanding any provision of this section,  
17 all moneys received and deposited in the fund under chapter . . . , Laws  
18 of 1993 (this act), remain part of the employment and training trust  
19 fund and may be used solely for the following purposes:

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

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

27        (3) Obtaining labor market information necessary for the  
28 administration of the unemployment insurance program and to assist  
29 unemployed workers in finding employment. In obtaining the information  
30 the employment security department shall ensure the inclusion of  
31 information gathered from small businesses as defined in RCW 43.31.025,  
32 with particular emphasis on businesses with fifteen or fewer employees;

33        (4) Performing research by an independent state auditing agency or  
34 an independent contractor to determine effectiveness of unemployment  
35 insurance programs and to determine whether program changes would  
36 benefit workers and employers;

37        (5) Collecting contributions for and administration of the  
38 employment and training trust fund;

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

3 (7) Establishing collocation employment security and job service  
4 outstations at community and technical college campuses across the  
5 state. These outstations shall provide a one-stop point of access for  
6 unemployed and dislocated workers seeking job placement services,  
7 training program information, and labor market information. In  
8 communities without co-located outstations the local job service center  
9 and community or technical college shall collaborate to provide these  
10 services.

11 NEW SECTION. **Sec. 5.** For calculations occurring on or after June  
12 30, 1994, and in accordance with RCW 50.29.025, if the commissioner  
13 determines that the employment and training trust fund contributions  
14 for the most recent rate year have increased employer unemployment  
15 compensation contribution rates, the revenues received by the  
16 department from the employment and training contribution for calendar  
17 quarters beginning the following July 1st shall not be deposited in the  
18 employment and training trust fund but shall be deposited in the  
19 unemployment compensation fund.

20 NEW SECTION. **Sec. 6.** A new section is added to chapter 50.16 RCW  
21 to read as follows:

22 An individual may be eligible for applicable employment security  
23 benefits while participating in work force training. Eligibility is at  
24 the discretion of the commissioner of employment security after  
25 submitting a commissioner-approved training waiver and developing a  
26 detailed individualized training plan.

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

29 The commissioner shall adopt rules as necessary to implement this  
30 section.

31 NEW SECTION. **Sec. 7.** Aerospace workers unemployed as the result  
32 of downsizing and restructuring of the aerospace industry will be  
33 deemed to be dislocated workers for the purpose of commissioner  
34 approval of training under RCW 50.20.043.

1        NEW SECTION.    **Sec. 8.**    (1) The employment security department shall  
2 disburse the amounts appropriated by the legislature for the purposes  
3 of chapter . . . , Laws of 1993 (this act) to the state board for  
4 community and technical colleges. These funds shall be allotted for,  
5 and only for, training programs and related support services, including  
6 financial aid, in the community and technical college system that:

7        (a) Are consistent with work force training priorities and based  
8 upon the comprehensive plan for work force training developed by the  
9 work force training and education coordinating board. The state board  
10 for community and technical colleges shall develop a plan for use and  
11 evaluation of these funds which is to be approved by the work force  
12 training and education coordinating board for consistency with their  
13 work force priorities. In developing and approving the plan,  
14 information shall be gathered from small businesses as defined in RCW  
15 43.31.025, with particular emphasis on businesses with fifteen or fewer  
16 employees. Further, the state board for community and technical  
17 colleges shall report to the work force training and education  
18 coordinating board and the legislature annually on the progress and  
19 results of the training and support services provided to eligible  
20 participants;

21        (b) Provide increased enrollments for individuals who have been  
22 terminated or have received a notice of termination from employment,  
23 and who are eligible for or have exhausted their entitlement to  
24 unemployment compensation benefits within the previous twenty-four  
25 months, with first priority given to individuals who are unlikely to  
26 return to employment in the individuals' principal occupation or  
27 previous industry because of a diminishing demand for their skills in  
28 that occupation or industry; and

29        (c) Provide increased enrollments and support services, including  
30 financial aid, that do not replace or supplant any existing  
31 enrollments, programs, support services, or funding sources. For  
32 fiscal year 1994, the state board for community and technical colleges  
33 may borrow from the general fund to initiate the programs authorized  
34 under this act. However, the board shall repay the borrowed amount by  
35 the end of the fiscal biennium from funds appropriated to it from the  
36 employment and training trust fund.

37        (2) For purposes of chapter . . . , Laws of 1993 (this act),  
38 training provided by the community and technical colleges shall only  
39 consist of basic skills and literacy, occupational skills, vocational

1 education, and related or supplemental instruction for apprentices who  
2 are enrolled in a registered, state-approved apprenticeship program.  
3 Community and technical colleges may contract with skill centers to  
4 provide training authorized in this section. Upon the request of an  
5 eligible recipient, a community and technical college may contract with  
6 a private technical school for specialized vocational training.  
7 Available tuition for the training is limited to the amount that would  
8 otherwise be obtained per enrolled quarter to a public institution.  
9 Furthermore, the funding is only available to students who seek  
10 training in a course of study not available at a public institution  
11 within an eligible recipient's congressional district.

12 **Sec. 9.** RCW 50.16.010 and 1991 sp.s. c 13 s 59 are each amended to  
13 read as follows:

14 There shall be maintained as special funds, separate and apart from  
15 all public moneys or funds of this state an unemployment compensation  
16 fund, an administrative contingency fund, an employment and training  
17 trust fund, and a federal interest payment fund, which shall be  
18 administered by the commissioner exclusively for the purposes of this  
19 title, and to which RCW 43.01.050 and 43.84.092 shall not be  
20 applicable.

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

1 All moneys in the unemployment compensation fund shall be  
2 commingled and undivided.

3 (2)(a) The administrative contingency fund shall consist of:

4 (i) All interest on delinquent contributions collected pursuant to  
5 this title((~~7~~))i

6 (ii) All fines and penalties collected pursuant to the provisions  
7 of this title((~~7~~))i

8 (iii) All sums recovered on official bonds for losses sustained by  
9 the fund((~~7~~))i and

10 (iv) Revenue received under RCW 50.24.014:

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

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

20 ((~~a~~)) (i) The proper administration of this title and no federal  
21 funds are available for the specific purpose to which such expenditure  
22 is to be made, provided, the moneys are not substituted for  
23 appropriations from federal funds which, in the absence of such moneys,  
24 would be made available.

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

29 Money in the special account created under RCW 50.24.014 may only  
30 be expended, after appropriation, for the purposes specified in RCW  
31 ((74.09.035, 74.09.510, 74.09.520, and 74.09.700)) 50.62.010,  
32 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025,  
33 50.24.014, 50.44.053, and 50.22.010.

34 (3) The employment and training trust fund shall consist of all  
35 contributions received from the employment and training trust fund  
36 contributions in accordance with section 3 of this act.

37 **Sec. 10.** RCW 50.16.010 and 1993 c .... s 9 (section 9 of this act)  
38 are each amended to read as follows:



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

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

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

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

13       ~~((c))~~ (3) all earnings of such property or securities,

14       ~~((d))~~ (4) any moneys received from the federal unemployment  
15 account in the unemployment trust fund in accordance with Title XII of  
16 the social security act, as amended,

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

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

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

25       ~~((h))~~ (8) all moneys received for the fund from any other source.

26       All moneys in the unemployment compensation fund shall be  
27 commingled and undivided.

28       ~~((2)(a))~~ The administrative contingency fund shall consist of~~((~~

29       ~~(i))~~ (i) all interest on delinquent contributions collected pursuant  
30 to this title~~((~~

31       ~~(ii))~~, (ii) all fines and penalties collected pursuant to the  
32 provisions of this title~~((~~

33       ~~(iii))~~, (iii) all sums recovered on official bonds for losses sustained  
34 by the fund~~((~~

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

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

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

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

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

15       Money in the special account created under RCW 50.24.014 may only  
16 be expended, after appropriation, for the purposes specified in RCW  
17 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,  
18 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

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

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

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

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

35       All moneys payable to the unemployment compensation fund, upon  
36 receipt thereof by the commissioner, shall be forwarded to the  
37 treasurer, who shall immediately deposit them in the clearing account.  
38 Refunds payable pursuant to the provisions of this title from the

1 unemployment compensation fund may be paid from the clearing account  
2 upon warrants issued by the treasurer under the direction of the  
3 commissioner: PROVIDED, HOWEVER, That refunds of interest or penalties  
4 on delinquent contributions shall be paid from the administrative  
5 contingency fund upon warrants issued by the treasurer under the  
6 direction of the commissioner.

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

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

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

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

36 **Sec. 12.** RCW 50.16.020 and 1993 c .... s 11 (section 11 of this  
37 act) are each amended to read as follows:

1       The commissioner shall designate a treasurer and custodian of the  
2 unemployment compensation fund(~~(, the employment and training trust~~  
3 ~~fund,)~~) and of the administrative contingency fund, who shall  
4 administer such funds in accordance with the directions of the  
5 commissioner and shall issue his or her warrants upon them in  
6 accordance with such regulations as the commissioner shall prescribe.  
7 The treasurer and custodian shall maintain within the unemployment  
8 compensation fund three separate accounts as follows:

9       (1) a clearing account,

10       (2) an unemployment trust fund account, and

11       (3) a benefit account.

12       All moneys payable to the unemployment compensation fund, upon  
13 receipt thereof by the commissioner, shall be forwarded to the  
14 treasurer, who shall immediately deposit them in the clearing account.  
15 Refunds payable pursuant to the provisions of this title from the  
16 unemployment compensation fund may be paid from the clearing account  
17 upon warrants issued by the treasurer under the direction of the  
18 commissioner: PROVIDED, HOWEVER, That refunds of interest or penalties  
19 on delinquent contributions shall be paid from the administrative  
20 contingency fund upon warrants issued by the treasurer under the  
21 direction of the commissioner.

22       After clearance thereof, all other moneys in the clearing account  
23 shall be immediately deposited with the Secretary of the Treasury of  
24 the United States to the credit of the account of this state in the  
25 unemployment trust fund, established and maintained pursuant to section  
26 904 of the social security act, as amended, any provisions of law in  
27 this state relating to the deposit, administration, release, or  
28 disbursement of moneys in the possession or custody of this state to  
29 the contrary notwithstanding.

30       The benefit account shall consist of all moneys requisitioned from  
31 this state's account in the unemployment trust fund. Moneys in the  
32 clearing and benefit accounts and in the administrative contingency  
33 fund shall not be commingled with other state funds, but shall be  
34 deposited by the treasurer, under the direction of the commissioner, in  
35 any bank or public depository in which general funds of the state may  
36 be deposited, but no public deposit insurance charge or premium shall  
37 be paid out of the fund.

38       Such moneys shall be secured by said bank or public depository to  
39 the same extent and in the same manner as required by the general

1 depository law of the state and collateral pledged shall be maintained  
2 in a separate custody account.

3 The treasurer shall give a bond conditioned upon the faithful  
4 performance of his or her duties as a custodian of the funds in an  
5 amount fixed by the director of the department of general  
6 administration and in a form prescribed by law or approved by the  
7 attorney general. Premiums for said bond shall be paid from the  
8 administration fund. All sums recovered on official bonds for losses  
9 sustained by the unemployment compensation fund shall be deposited in  
10 such fund. All sums recovered on official bonds for losses sustained  
11 by the administrative contingency fund shall be deposited in such fund.

12 **Sec. 13.** RCW 50.29.025 and 1990 c 245 s 7 are each amended to read  
13 as follows:

14 The contribution rate for each employer shall be determined under  
15 this section.

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

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

29	Interval of the	
30	Fund Balance Ratio	Effective
31	Expressed as a Percentage	Tax Schedule
32	3.40 and above	A
33	2.90 to 3.39	B
34	2.40 to 2.89	C
35	1.90 to 2.39	D
36	1.40 to 1.89	E

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

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

18 (5) The contribution rate for each employer in the array shall be  
 19 the rate specified in the following tables for the rate class to which  
 20 he or she has been assigned, as determined under subsection (4) of this  
 21 section, within the tax schedule which is to be in effect during the  
 22 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	

1	45.01	50.00	10	1.98	2.38	2.78	3.18	3.58	3.98
2	50.01	55.00	11	2.28	2.58	2.98	3.38	3.78	4.08
3	55.01	60.00	12	2.48	2.78	3.18	3.58	3.98	4.28
4	60.01	65.00	13	2.68	2.98	3.38	3.78	4.18	4.48
5	65.01	70.00	14	2.88	3.18	3.58	3.98	4.38	4.68
6	70.01	75.00	15	3.08	3.38	3.78	4.18	4.58	4.78
7	75.01	80.00	16	3.28	3.58	3.98	4.38	4.68	4.88
8	80.01	85.00	17	3.48	3.78	4.18	4.58	4.88	4.98
9	85.01	90.00	18	3.88	4.18	4.58	4.88	4.98	5.18
10	90.01	95.00	19	4.28	4.58	4.98	5.08	5.18	5.38
11	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40))

12	<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>
13	<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>
14	<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>
15	<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>
16	<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>
17	<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>
18	<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>
19	<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>
20	<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>
21	<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>
22	<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>
23	<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>
24	<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>
25	<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>
26	<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>
27	<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>
28	<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>
29	<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>
30	<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>
31	<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>

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

34 (a) Employers who do not meet the definition of "qualified  
35 employer" by reason of failure to pay contributions when due shall be  
36 assigned the contribution rate of five and four-tenths percent, except  
37 employers who have an approved agency-deferred payment contract by

1 September 30 of the previous rate year. If any employer with an  
2 approved agency-deferred payment contract fails to make any one of the  
3 succeeding deferred payments or fails to submit any succeeding tax  
4 report and payment in a timely manner, the employer's tax rate shall  
5 immediately revert to five and four-tenths percent for the current rate  
6 year;

7 (b) The contribution rate for employers exempt as of December 31,  
8 1989, who are newly covered under the section 78, chapter 380, Laws of  
9 1989 amendment to RCW 50.04.150 and not yet qualified to be in the  
10 array shall be 2.5 percent for employers whose standard industrial code  
11 is "013", "016", "017", "018", "019", "021", or "081"; and

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

21 **Sec. 14.** RCW 50.29.025 and 1993 c .... s 13 (section 13 of this  
22 act) are each amended to read as follows:

23 The contribution rate for each employer shall be determined under  
24 this section.

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

33 (2) The interval of the fund balance ratio, expressed as a  
34 percentage, shall determine which tax schedule in subsection (5) of  
35 this section shall be in effect for assigning tax rates for the rate  
36 year. The intervals for determining the effective tax schedule shall  
37 be:



1	Interval of the	
2	Fund Balance Ratio	Effective
3	Expressed as a Percentage	Tax Schedule
4	3.40 and above	A
5	2.90 to 3.39	B
6	2.40 to 2.89	C
7	1.90 to 2.39	D
8	1.40 to 1.89	E
9	Less than 1.40	F

10 (3) An array shall be prepared, listing all qualified employers in  
11 ascending order of their benefit ratios. The array shall show for each  
12 qualified employer: (a) Identification number; (b) benefit ratio; (c)  
13 taxable payrolls for the four calendar quarters immediately preceding  
14 the computation date and reported to the department by the cut-off  
15 date; (d) a cumulative total of taxable payrolls consisting of the  
16 employer's taxable payroll plus the taxable payrolls of all other  
17 employers preceding him or her in the array; and (e) the percentage  
18 equivalent of the cumulative total of taxable payrolls.

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

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

31	Percent of									
32	Cumulative		Schedules	of	Contributions	Rates				
33	Taxable Payrolls		for Effective Tax Schedule							
34		Rate								
35	From	To	Class	A	B	C	D	E	F	

1	(	0.00	5.00	1	0.36	0.46	0.86	1.36	1.78	2.36
2		5.01	10.00	2	0.36	0.66	1.06	1.56	1.96	2.56
3		10.01	15.00	3	0.46	0.86	1.26	1.66	2.16	2.76
4		15.01	20.00	4	0.66	1.06	1.46	1.86	2.36	2.96
5		20.01	25.00	5	0.86	1.26	1.66	2.06	2.56	3.06
6		25.01	30.00	6	1.06	1.46	1.86	2.26	2.66	3.16
7		30.01	35.00	7	1.26	1.66	2.06	2.46	2.86	3.26
8		35.01	40.00	8	1.46	1.86	2.26	2.66	3.06	3.46
9		40.01	45.00	9	1.66	2.06	2.46	2.86	3.26	3.66
10		45.01	50.00	10	1.86	2.26	2.66	3.06	3.46	3.86
11		50.01	55.00	11	2.16	2.46	2.86	3.26	3.66	3.96
12		55.01	60.00	12	2.36	2.66	3.06	3.46	3.86	4.16
13		60.01	65.00	13	2.56	2.86	3.26	3.66	4.06	4.36
14		65.01	70.00	14	2.76	3.06	3.46	3.86	4.26	4.56
15		70.01	75.00	15	2.96	3.26	3.66	4.06	4.46	4.66
16		75.01	80.00	16	3.16	3.46	3.86	4.26	4.56	4.76
17		80.01	85.00	17	3.36	3.66	4.06	4.46	4.76	4.86
18		85.01	90.00	18	3.76	4.06	4.46	4.76	4.86	5.06
19		90.01	95.00	19	4.16	4.46	4.86	4.96	5.06	5.26
20		95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40))

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

1	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>4.28</u>	<u>4.58</u>	<u>4.98</u>	<u>5.08</u>	<u>5.18</u>	<u>5.38</u>
2	<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>

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

5 (a) Employers who do not meet the definition of "qualified  
6 employer" by reason of failure to pay contributions when due shall be  
7 assigned the contribution rate of five and four-tenths percent, except  
8 employers who have an approved agency-deferred payment contract by  
9 September 30 of the previous rate year. If any employer with an  
10 approved agency-deferred payment contract fails to make any one of the  
11 succeeding deferred payments or fails to submit any succeeding tax  
12 report and payment in a timely manner, the employer's tax rate shall  
13 immediately revert to five and four-tenths percent for the current rate  
14 year;

15 (b) The contribution rate for employers exempt as of December 31,  
16 1989, who are newly covered under the section 78, chapter 380, Laws of  
17 1989 amendment to RCW 50.04.150 and not yet qualified to be in the  
18 array shall be 2.5 percent for employers whose standard industrial code  
19 is "013", "016", "017", "018", "019", "021", or "081"; and

20 (c) For all other employers not qualified to be in the array, the  
21 contribution rate shall be a rate equal to the average industry rate as  
22 determined by the commissioner; however, the rate may not be less than  
23 one percent. Assignment of employers by the commissioner to industrial  
24 classification, for purposes of this subsection, shall be in accordance  
25 with established classification practices found in the "Standard  
26 Industrial Classification Manual" issued by the federal office of  
27 management and budget to the third digit provided in the Standard  
28 Industrial Classification code.

29 NEW SECTION. **Sec. 15.** A new section is added to chapter 50.29  
30 RCW to read as follows:

31 For the purpose of simplification of employer reports, the  
32 "combined contribution rate" shall be used in the calculation of  
33 employer taxes. The combined contribution rate shall include the  
34 regular contribution rate as determined under RCW 50.29.025, employment  
35 and training trust fund contributions as determined under section 3 of  
36 this act, and special contributions required under RCW 50.24.014. A  
37 mention of the "combined contribution rate" may not be made on a tax  
38 form or publication unless the form or publication specifically

1 identifies the specific contributions. The combined contribution rate  
2 may not be quoted on a form unless the specific component rates are  
3 also quoted. The sole purpose of the combined contribution rate is to  
4 allow an employer to perform a single calculation on a tax return  
5 rather than four separate calculations.

6 NEW SECTION. **Sec. 16.** Prior to any increase in the employer tax  
7 schedule as provided in section 13, chapter . . . , Laws of 1993 (section  
8 13 of this act), the commissioner shall provide a report to the  
9 appropriate committees of the legislature specifying to what extent the  
10 work force training expenditures in chapter . . . , Laws of 1993 (this  
11 act) elevated employer contribution rates for the effective tax  
12 schedule.

13 NEW SECTION. **Sec. 17.** (1) The employment security department  
14 shall report to the appropriate committees of the legislature by  
15 December 1, 1994, and every year thereafter, on the status of the  
16 programs provided in this act and the resulting outcomes. The  
17 department shall include in its report quantitative and demographic  
18 information on the increase in job orders, placement referrals,  
19 individualized training plans, skill assessments, and other  
20 interventions achieved. The department also shall include in its  
21 report the number of repeat clients as a percentage of all clients  
22 served by programs provided in chapter . . . , Laws of 1993 (this act).

23 (2) The state board for community and technical colleges shall  
24 report to the appropriate standing committees of the legislature by  
25 December 1, 1994, and every year thereafter, the number of certified  
26 student full-time equivalents receiving training as provided in this  
27 act. In addition, the report must include information on the outcomes  
28 of the provided training. The report also must include indices of  
29 placement rates, student demographics, training plan completion rates,  
30 and comparisons of preprogram and postprogram wage levels.

31 (3) Each community and technical college shall confer and consult  
32 with its respective labor-management advisory board concerning the  
33 college's efforts to provide the training and services rendered in  
34 chapter . . . , Laws of 1993 (this act) and meet the completion and  
35 placement goals of the work force training and education coordinating  
36 board. Each community and technical college shall ensure the  
37 participation on its labor-management advisory board of small

1 businesses as defined in RCW 43.31.025, with particular emphasis on  
2 businesses with fifteen or fewer employees.

3 (4) The work force training and education coordinating board shall  
4 conduct a study in consultation with the higher education coordinating  
5 board on the feasibility of: (a) Redirecting all state and federal job  
6 training and retraining funds distributed in the state into a separate  
7 job training trust fund; and (b) distributing the funds according to  
8 uniform criteria. The work force training and education coordinating  
9 board shall report to the appropriate committees of the legislature on  
10 the results of the study by January 1, 1995.

11 NEW SECTION. **Sec. 18.** A new section is added to chapter 43.131  
12 RCW to read as follows:

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

15 NEW SECTION. **Sec. 19.** A new section is added to chapter 43.131  
16 RCW to read as follows:

17 The following acts or parts of acts are each repealed, effective  
18 June 30, 1999:

- 19 (1) Section 1 of this act;
- 20 (2) Section 2 of this act;
- 21 (3) Section 3 of this act;
- 22 (4) Section 4 of this act;
- 23 (5) Section 5 of this act;
- 24 (6) Section 6 of this act;
- 25 (7) Section 8 of this act;
- 26 (8) Section 15 of this act; and
- 27 (9) Section 17 of this act.

28 NEW SECTION. **Sec. 20.** (1) Sections 10 and 12 of this act shall  
29 take effect June 30, 1999;

30 (2) Section 14 of this act shall take effect January 1, 1998.

31 NEW SECTION. **Sec. 21.** If any part of this act is found to be in  
32 conflict with federal requirements that are a prescribed condition to  
33 the allocation of federal funds to the state or the eligibility of  
34 employers in this state for federal unemployment tax credits, the  
35 conflicting part of this act is hereby declared to be inoperative

1 solely to the extent of the conflict, and such finding or determination  
2 shall not affect the operation of the remainder of this act. The rules  
3 under this act shall meet federal requirements that are a necessary  
4 condition to the receipt of federal funds by the state or the granting  
5 of federal unemployment tax credits to employers in this state.

6 NEW SECTION. **Sec. 22.** If any provision of this act or its  
7 application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected.

10 NEW SECTION. **Sec. 23.** This act applies to tax rate years  
11 beginning with tax rate year 1994.

--- END ---