

SENATE BILL REPORT

SB 6423

As Reported By Senate Committee On:
Commerce & Labor, February 3, 1998

Title: An act relating to unemployment compensation for part-time faculty.

Brief Description: Revising unemployment compensation for part-time faculty.

Sponsors: Senators Schow, Heavey and Winsley; by request of Employment Security Department.

Brief History:

Committee Activity: Commerce & Labor: 1/19/98, 2/3/98 [DPS].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 6423 be substituted therefor, and the substitute bill do pass.

Signed by Senators Schow, Chair; Horn, Vice Chair; Franklin, Fraser, Heavey and Newhouse.

Staff: Patrick Woods (786-7430)

Background: In 1995, the State Legislature in response to a Washington Court of Appeals decision (*Evans v. Employment Security*, 72 Wn. App. (1994)) authorized the payment of unemployment insurance benefits to part-time community college faculty who are unemployed during the summer months provided: 1) the institution in which the part-time faculty is regularly employed does conduct a necessary level of instructional activity during summer quarter; or 2) the faculty member has not received reasonable assurance— that they will be employed in the following academic year.

The modifications to the state statute were tightly drawn to include only part-time community and technical college faculty and did not impact permanent instructional staff or part-time faculty of other academic institutions. The Department of Employment Security was directed to include summer quarter in the academic year unless determined otherwise. In addition, under the definition of reasonable assurance,— a part-time community college or technical college faculty member was not considered to have sufficient certainty of employment in the following academic year if his or her contract was contingent on enrollment, funding or program changes.

During 1997, the U.S. Department of Labor determined that this statute is potentially out of conformity with the federal unemployment law because it provides special treatment to certain types of faculty members and does not apply to all instructional staff. The federal statute requires equal treatment of academic staff.

If Washington is ruled out of conformity with the federal unemployment law, Washington employers will lose an estimated \$872 million in tax credits. In addition, the state will not receive an estimated \$80 million in administrative funding for the Department of Employment Security.

Summary of Substitute Bill: The federal conformity issues concerning the payment of unemployment insurance to part-time community college faculty are eliminated by the following modifications:

1. Academic year– continues to be defined to include the summer quarter unless the Department of Employment Security, based on objective criteria, determines it to be otherwise. In addition, this definition is now consistent across all academic institutions; and
2. The application of the current part-time– definition of reasonable assurance– is not limited to part-time community and technical college faculty. The definition applies across all academic institutions including K-12, community and technical colleges and four-year institutions.

Substitute Bill Compared to Original Bill: The substitute makes summer quarter a part of the academic year unless the Department of Employment Security determines it to be otherwise.

Appropriation: None.

Fiscal Note: Requested on January 14, 1998.

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

Testimony For: This bill is needed to address a federal conformity issue that could drastically impact employers and the Employment Security Department.

Testimony Against: The original bill as written could potentially have an adverse impact on part-time community college faculty that are currently eligible for unemployment benefits during the summer months.

Testified: Diane Evans; Sandra Schroeder, Evelyn Reider, Corinne Baker, Washington Federation of Teachers; Keith Hoeller, part-time faculty (con); Sonnia Dailey, Tacoma Community College part-time faculty (con); Dale Ziegler, ESD (pro); Terry Trueman, AHF (con); Norm Raffaell, Clif Finch, AWB.