

HOUSE BILL REPORT

SSB 6751

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to allowing individuals who left work to enter certain apprenticeship programs to receive unemployment insurance benefits.

Brief Description: Allowing individuals who left work to enter certain apprenticeship programs to receive unemployment insurance benefits.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Roach, Pridemore, McDermott, Keiser, Franklin and Kline).

Brief History:

Committee Activity:

Commerce & Labor: 2/21/08, 2/22/08 [DPA].

Brief Summary of Substitute Bill
(As Amended by House Committee)

- Adds entering approved apprenticeship programs to the circumstances that are considered "good cause" for leaving work and, therefore, do not disqualify individuals from receiving unemployment benefits.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Green, Moeller and Williams.

Minority Report: Do not pass. Signed by 2 members: Representatives Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member.

Staff: Jill Reinmuth (786-7134).

Background:

Individuals are eligible to receive unemployment benefits if they: (1) worked at least 680 hours in covered employment in the base year; (2) are separated from employment through no

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fault of their own or leave work for good cause; and (3) are able to work and are actively searching for suitable work.

Individuals are disqualified from receiving unemployment benefits if they leave work voluntarily without good cause. "Good cause" means leaving work for the following reasons:

- to accept other work;
- illness or disability, so long as the individual is not entitled to reinstatement;
- to relocate for the spouse's mandatory military transfer;
- to protect the claimant or an immediate family member from domestic violence;
- a reduction of 25 percent or more in compensation or hours;
- a change in the worksite that causes increased distance or difficulty of travel;
- deterioration of work site safety;
- illegal activities on the worksite; or
- a change in the individual's usual work that violates his or her religious convictions or sincere beliefs.

Employers are required to pay contributions (payroll taxes) to finance unemployment benefits, unless they are exempt from coverage or reimburse the Employment Security Department for benefits paid to their former workers. Contribution rates are based, in part, on layoff experience and benefits charged to employers' experience rating accounts. Some benefits are pooled within the unemployment system. These "socialized costs" include "non-charged benefits."

Summary of Amended Bill:

Individuals who leave work to enter certain apprenticeship programs are considered to have left work for "good cause" and, therefore, are not disqualified from receiving unemployment benefits. The apprenticeship programs must be approved by the Washington State Apprenticeship Training Council. Benefits are payable to these individuals beginning Sunday of the week before the apprenticeship programs begin. Benefits paid to these individuals are not charged to their employers' experience rating accounts.

Amended Bill Compared to Substitute Bill:

Language is added to specify that unemployment benefits are payable beginning the week before the apprenticeship programs begin.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) The bill came about because of some unintended consequences of 2003 legislation. It would allow leaving work to enter an apprenticeship program to be considered a "good cause" quit. An individual would not be disqualified from receiving benefits. This bill particularly impacts individuals entering apprenticeship programs that require classroom training prior to on-the-job training. We disagree with some assumptions in the fiscal note (e.g., the anticipated duration of benefits).

(In support with concerns) One tweak is needed to avoid an unintended loophole. Benefits should not be paid until the individual is in the apprenticeship program, not while the individual is in the lag period between employment and apprenticeship.

(Concerns) This change departs from the current purposes of the unemployment compensation program.

(Opposed) Nearly every circumstance that is considered a "good cause" quit is beyond the individual's control. This change is not needed to encourage people to enroll and stay in apprenticeship programs. It is unnecessary and unfair.

(Information only) The bill will require 100 additional unemployment compensation decisions per year. Ongoing administrative costs are minimal.

Persons Testifying: (In support) Randy Loomans, International Union of Operating Engineers Local 302; Jeff Johnson, Washington State Labor Council and AFL-CIO; and Bob Abbott, Washington and North Idaho District Council of Laborers.

(In support with concerns) Dave Johnson, Washington State Building and Construction Trades Council; and Rick Slunaker, Associated General Contractors of Washington.

(Concerns) Donna Steward, Association of Washington Business.

(Opposed) Larry Stevens, Mechanical Contractors Association of Western Washington and Northwest Washington Independent Electrical Contractors.

(Information only) Jill Will, Employment Security Department.

Persons Signed In To Testify But Not Testifying: None.