

# HOUSE BILL REPORT

## HB 2967

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**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:** Representatives Conway, Wood, McIntire, Simpson, Hasegawa and Ormsby.

**Brief History:**

**Committee Activity:**

Commerce & Labor: 1/29/08, 2/1/08 [DPS].

**Brief Summary of Substitute Bill**

- 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.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Conway, Chair; Wood, Vice Chair; Green and Williams.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Crouse.

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

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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 "noncharged benefits."

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#### **Summary of Substitute 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. The benefits paid to these individuals are not charged to their employers' experience rating accounts.

#### **Substitute Bill Compared to Original Bill:**

A requirement that apprenticeship programs be sponsored by bona fide labor organizations is deleted.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

#### **Staff Summary of Public Testimony:**

(In support) After a year of appeals, benefits were finally approved. Ultimately, the apprenticeship has paid off. Without savings, the apprenticeship would not have worked.

The difficulty is that, in some programs, apprentices must go to training before they can work. These apprentices should not be penalized.

There is constant fighting to ensure that apprentices get benefits. A lot of candidates are lost because they are facing six to eight weeks of no income.

(In support with amendment) There has been an explosion in the apprenticeship world in recent years due to the apprenticeship utilization requirements, the skills gap, and the need for construction workers. The bill addresses the needs of individuals who leave employment to enroll in apprenticeship programs. There is a lack of clarity in the law as to the circumstances in which such individuals may receive unemployment insurance benefits. This bill should be amended to specify that the apprenticeship program must be approved for commissioner-approved training.

(Neutral) There are concerns about the suggested amendment. The decision regarding commissioner-approved training occurs after the decision regarding the voluntary quit. The fiscal note includes costs for reprogramming the computer system as well as for new benefits.

(Opposed) There are fundamental concerns about the bill because it does not treat all apprenticeship programs the same. Language requiring that programs be sponsored by labor organizations is troubling.

There are also concerns about increased socialized costs for all employers.

The unemployment insurance system is intended to compensate those who lose jobs through no fault of their own. Paying unemployment insurance to those who have jobs is nonsensical.

**Persons Testifying:** (In support) Collin Suite, Sheet Metal Workers Local 66.

(In support with amendment) Dave Johnson, Washington State Building and Construction Trades Council; Cole Gates, International Brotherhood of Electrical Workers Local 191; Randy Loomans, International Union of Operating Engineers Local 302; and Sandy Winters and Jason Mohoric, International Union of Operating Engineers Local 612.

(Neutral) Neil Gorrell, Employment Security Department.

(Opposed) Rick Slunaker, Associated General Contractors of Washington; Cliff Webster, Associated Builders and Contractors; Donna Steward, Association of Washington Business; and Larry Stevens, National Electrical Contractors and Mechanical Contractors Association.

**Persons Signed In To Testify But Not Testifying:** (Opposed) Mark Johnson, Washington Retail Association.