

# SENATE BILL REPORT

## SSB 6751

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As Amended by House, March 4, 2008

**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:** Labor, Commerce, Research & Development: 2/05/08, 2/07/08 [DPS, DNP].

Passed Senate: 2/13/08, 35-13.

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 6751 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Franklin, Murray and Prentice.

**Minority Report:** Do not pass.

Signed by Senators Holmquist, Ranking Minority Member; Hewitt and King.

**Staff:** Mac Nicholson (786-7445)

**Background:** Under Washington's unemployment compensation law, an individual is 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.

There are ten "good cause" provisions established in unemployment compensation law: 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; a reduction of 25 percent or more in hours; a change in the worksite that causes increased distance or difficulty of travel; deterioration of work site safety; illegal activities in

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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."

**Summary of Substitute Bill:** An additional "good cause" is established, covering individuals who left work to enter an apprenticeship program approved by the Washington State Apprenticeship Training Council.

Benefits paid to such individuals are not charged to the experience rating account of their employer.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on Original Bill:** PRO: This bill should be amended so it is not just labor organization apprenticeships covered by the legislation. Individuals face hardships when leaving a job to enter an apprenticeship program, especially when there are six to eight weeks of safety training before work is started. Those individuals should be able to receive unemployment benefits. Prior to 2003, there was a good cause quit that would allow unemployment benefits to be paid if a person left work to enter an approved apprenticeship. This bill just seeks to restore the benefits for apprentices.

CON: Good cause quit provisions are very serious reasons, and leaving work for an apprenticeship doesn't rise to the same level. Unemployment insurance is a big cost for contractors, so allowing more people to get benefits adds more costs. An apprenticeship program should be accessible to everyone. Language in the legislation should be tightened up.

**Persons Testifying:** PRO: Sandy Winter, Operating Engineers, JATC; David Johnson, Building Trades.

CON: Larry Stevens, Mechanical Contractors and Electrical Contractors; Rick Slunaker, Associated General Contractors.

**House Amendment(s):** Language is added to specify that unemployment benefits are payable beginning Sunday of the week before the apprenticeship program begins.