

HOUSE BILL REPORT

HB 2730

As Reported by House Committee On:
Civil Rights & Judiciary

Title: An act relating to military spouse employment.

Brief Description: Addressing military spouse employment.

Sponsors: Representatives Kilduff, Ryu, Klippert, Appleton, Caldier, Davis, Leavitt and Ormsby.

Brief History:

Committee Activity:

Civil Rights & Judiciary: 1/28/20, 1/31/20 [DPS].

Brief Summary of Substitute Bill

- Initiates a demonstration campaign to increase military spouse employment.
- Provides a mechanism in the Washington Service Members' Civil Relief Act to allow a military spouse to terminate an employment contract without penalty.

HOUSE COMMITTEE ON CIVIL RIGHTS & JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Kilduff, Chair; Thai, Vice Chair; Irwin, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Goodman, Graham, Hansen, Kirby, Klippert, Orwall, Peterson, Rude, Valdez, Walen and Ybarra.

Staff: Ingrid Lewis (786-7289).

Background:

Demonstration Campaign to Increase Employment.

The Department of Veterans Affairs, the Employment Security Department, and the Department of Commerce, in consultation with local chambers of commerce, associate development organizations, and businesses, have developed demonstration campaigns to increase veteran employment in Washington.

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.

Washington Service Members' Civil Relief Act.

The Washington Service Members' Civil Relief Act (WSCRA) provides certain rights for service members who are under a call to active service, authorized by either the President of the United States or the Governor, for a period of more than 30 consecutive days. For purposes of the WSCRA, "service member" means an active member of the United States Armed Forces, a member of a military reserve component, or a member of the National Guard who is either stationed in, or a resident of, Washington. The WSCRA also extends these rights to certain dependents of the service member.

A service member or dependent may bring a civil action for a violation of the WSCRA to obtain equitable or declaratory relief, monetary damages, and other appropriate relief. In addition, the court may award the costs of the action and reasonable attorneys' fees to a service member or dependent who prevails in the action. The Washington Attorney General (AG) is also authorized to bring a civil action to enforce the WSCRA against a person that engages in a pattern or practice of violations or engages in a violation that raises an issue of significant public purpose. The court may grant equitable or declaratory relief, monetary damages, and other appropriate relief, including costs and reasonable attorneys' fees. In addition, the court may assess a civil penalty of up to \$55,000 for a first violation and up to \$110,000 for subsequent violations. Prior to commencing a civil action, the AG may issue civil investigative demands for the discovery of material information relevant to an investigation of a violation of the WSCRA.

Employment Contracts.

In general, Washington is an at-will employment state, which means either the employee or employer may terminate an employment relationship at any time without fear of liability. One exception to the at-will employment doctrine is if an employment contract exists.

Summary of Substitute Bill:

Demonstration Campaign to Increase Employment.

The Department of Veterans Affairs (DVA), Employment Security Department (ESD), and Department of Commerce (Commerce) must consult local chambers of commerce, associate development organizations, and businesses to develop a statewide plan to increase military spouse employment in Washington. Businesses may share information about military spouse employment with local chambers of commerce, who may provide this information to the DVA. Participants in the plan development are encouraged to work with the Washington State Military Transition Council and county veterans advisory boards. Funds used for the plan must be from existing resources.

The DVA, the ESD, and Commerce must submit a joint report to the Legislature and the Joint Committee on Veterans' and Military Affairs by December 1, 2020, on the progress of the military spouse employment plan. The report must include documentation of any findings, next steps, and any policy recommendations.

A "military spouse" is defined as any person currently or previously married to a military service member during the military service member's time of active duty in any branch of the Armed Forces of the United States as an active duty service member, reservist, or National Guard member.

Employment Contracts.

A spouse of a service member in receipt of military service orders for a permanent change of station may terminate an employment contract without penalty if the employer is provided written notice of the termination and written proof of official orders for a permanent change in station. An employer may not impose a penalty for termination of an employment contract. Nothing in this provision shall be construed as altering the terms, condition, or practices contained in a collective bargaining agreement in effect on the effective date of the act until the expiration of the agreement.

"Employment contract" means a contract that establishes the terms of employment or other professional relationship with the spouse of a service member, but does not include an independent contractor agreement. "Penalty" means any fee or cost or liability for breach of contract or any other adverse consequence imposed by the employer.

Termination of an employment contract is effective on the day written notice is given or on a date mutually agreed upon by the parties to the employment contract.

The bill applies only to employment contracts entered into on or after the effective date of the act.

Substitute Bill Compared to Original Bill:

The substitute bill:

- clarifies terminology pertaining to the statewide plan for increasing military spouse employment;
- requires the Department of Veterans Affairs, the Employment Security Department, and the Department of Commerce to submit a joint report to the Legislature and the Joint Committee on Veterans' and Military Affairs by December 1, 2020, on the progress of the military spouse employment plan;
- excludes independent contractor agreements from the definition of "employment contract;" and
- provides that the mechanism to allow a military spouse to terminate an employment contract without penalty when in receipt of an order for a permanent change in station does not alter the terms, conditions, or practices in a collective bargaining agreement in effect on the effective date of the act until the expiration of the agreement.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Military spouses serve alongside active duty service members, and serving the country is a family commitment. Oftentimes, service members and their spouses are moving from state to state for a permanent change of station as often as every 18 to 36 months. This leads to barriers in the workforce for military spouses: higher unemployment rates, higher underemployment rates, and according to a 2016 study, a cost up to \$1 billion to the economy in lost opportunity.

The bill positively impacts Washington's economy and increases military mission readiness. This bill demonstrates Washington's commitment to military families. Many service members are choosing to leave service because spouses are not able to get adequate employment. In the next five years, more than 740,000 jobs will need to be filled in the state, and it is important to help those who have barriers to employment, as well as help employers find needed talent. Military spouses are estimated to have unemployment rates of about 24 percent and underemployment of over 50 percent. The treatment that military spouses receive prevents them from developing and pursuing their careers. This is a national and economic security risk and a dignity issue for the state and nation.

The first part of the bill is patterned after the YesVets program, which helps veterans who are transitioning out of the service. Local business organizations and agencies working together will increase the degree of success for military spouse employment. It is imperative that the organizations collaborate, because the groups do not always know about each other. There is not enough awareness of the services and programs that could be instrumental in helping military spouses increase employment options. Data shows that many families need to have two incomes to successfully thrive in today's economy. YesVets is shown to be successful for veterans, and extending the program to military spouses would allow spouses to find meaningful employment which in turn benefits the community. Duplication of programs does exist, but working together and referring and providing warm handoffs from one workgroup to another can provide fresh ideas and new approaches to connecting military spouses with employment.

(Opposed) None.

(Other) The second part of the bill stems from the work of the Commissioner of the Employment Security Department. Last summer and fall there was a military spouse listening tour, and military spouses from across the state shared recommendations and feedback on the barriers faced in the employment arena. Many active duty spouses try to find employment at whatever job is available and open to military spouses. There are many positions in a variety of fields that require a contract to be signed, including medical, legal, education, and technical positions. These fields often require a degree or certification, or both. Many military spouses take a job in a different field at a lower pay because of fear of penalties when a permanent change of station comes. One recommendation from the tour was the opportunity to be released from an employment contract without penalty. Allowing military spouses to terminate an employment contract without penalty when a service

member receives orders to move is fair and just. Some nursing contracts penalize between \$2,000–\$5,000 for breach of contract if a person withdraws before the term of the contract is fulfilled. The laws already allow service members or their spouses to terminate a tenancy if they receive orders to move, and this is a logical application of that principle.

Persons Testifying: (In support) Representative Kilduff, prime sponsor; Sarah Luna, South Sound Military and Communities Partnership; Annikka Trabucco; and Tanja Struyck-Fogleman.

(Other) Suzi LeVine, Employment Security Department; and Alfie Alvarado-Ramos, Washington Department of Veterans Affairs.

Persons Signed In To Testify But Not Testifying: None.