

SENATE BILL REPORT

SHB 2308

As of March 3, 2020

Title: An act relating to requiring employers to periodically report standard occupational classifications or job titles of workers.

Brief Description: Requiring employers to periodically report standard occupational classifications or job titles of workers.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Slatter, Tharinger, Wylie and Appleton).

Brief History: Passed House: 2/17/20, 60-38.

Committee Activity: Labor & Commerce: 2/24/20, 2/25/20 [DP-WM].

Ways & Means: 2/29/20.

Brief Summary of Bill

- Requires employers to include occupational data of its employees in the employer's quarterly tax reports to the Employment Security Department.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Conway, Vice Chair; King, Ranking Member; Braun, Saldaña, Schoesler, Stanford, Walsh and Wellman.

Staff: Susan Jones (786-7404)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Sarah Emmans (786-7478)

Background: Employment Security Department Reports. The Employment Security Department (ESD) administers the state's unemployment benefits program. Employers must file tax reports with the ESD every quarter. The reports must contain the name of all employees covered by unemployment insurance, their social security numbers, their wages, and the number of hours worked in the quarter. Employers may file electronically or use

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paper forms. An employer is subject to escalating penalties for failing to file a report or for filing an incomplete report. The ESD issues a warning letter for the first violation. For subsequent violations, the penalties range from \$75 to \$250.

Workforce Training and Education Coordinating Board. The ESD has data-sharing agreements with the Workforce Training and Education Coordinating Board (Workforce Board). The Workforce Board matches student-level records with the ESD's wage records to evaluate performance outcomes for a number of workforce and postsecondary education programs.

Future of Work Task Force Recommendation. The Future of Work Task Force (Task Force) was established by the Legislature in 2018. In its 2019 Policy Report, the Task Force recommended adding an "occupation" field to the quarterly employer reporting forms collected by ESD. In its report, the Task Force stated that "[t]his will allow for more accurate occupational trend analyses, and more effective evaluation of education and training programs and whether or not they lead to particular occupations."

Standard Occupational Classification. The Standard Occupational Classification (SOC) system is a federal system used by federal agencies to classify workers into occupational categories.

Summary of Bill: Employers must include the SOC or job title of each worker in their quarterly tax reports to the ESD. Reporting the SOC or job title of each worker is optional for employers until October 1, 2022.

An employer whose filing is incomplete due to failing to include SOCs or job titles must pay an incomplete report penalty only if the employer knowingly failed to report the SOC or job title of each worker.

ESD, in coordination with the Workforce Board, must report to the Legislature by November 1, 2026, on how the collection of occupational data was used to evaluate educational investments, add or modify existing training programs, or improve job placement.

Legislative findings are made.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on October 1, 2021.

Staff Summary of Public Testimony (Labor & Commerce): PRO: Having data can help people know if education pays off. It is helpful for employers to know if training or education helps to get workers. More data helps learn about the challenges in labor and how technology is disrupting workers. This would be a game changer for workers in navigating

their careers, expected success in training and education; understanding new and emerging careers; and how to move to a new career.

Persons Testifying (Labor & Commerce): PRO: Marcus Courtney, Future of Work Task Force; Chelsea Mason, IAM 751; Bish Paul, Washington STEM; Marina Parr, Workforce Board.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: The Future of Work Task Force was created by the Legislature in 2018 and was the first in the nation to look specifically at this topic. This bill had a unanimous Labor and Commerce Committee and that is because it will provide a great deal of value for workers, businesses, labor market research, and education. This bill builds on the policy recommendations of the Future of Work Task Force, which were agreed to by business and labor stakeholders. The mechanism in the bill is very simple and will give a more accurate understanding of the outcomes of educational programs, more tools to know the demand for occupations, information to inform education providers so that they can adapt their offerings more quickly and with greater relevance.

Persons Testifying (Ways & Means): PRO: Lew McMurrin, Future of Work Task Force/ Workforce Board.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.