

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6420

55th Legislature
1998 Regular Session

Passed by the Senate March 9, 1998
YEAS 46 NAYS 0

President of the Senate

Passed by the House March 6, 1998
YEAS 87 NAYS 11

**Speaker of the
House of Representatives**

Approved

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6420** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6420

AS AMENDED BY THE HOUSE

Passed Legislature - 1998 Regular Session

State of Washington

55th Legislature

1998 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Heavey and Winsley; by request of Employment Security Department)

Read first time 02/04/98.

1 AN ACT Relating to application for initial determination for
2 unemployment insurance benefits; amending RCW 50.20.140 and 50.24.014;
3 adding new sections to chapter 50.20 RCW; and creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that the shift by the
6 employment security department from in-person written initial
7 applications for unemployment insurance benefits to a call center
8 approach creates opportunities for improved service but also raises
9 serious concerns. Eliminating face-to-face contact may increase the
10 potential for fraud and reduce the probability that claimants will
11 utilize existing reemployment resources. Therefore, it is the intent
12 of the legislature that if the written application process is to be
13 eliminated, the employment security department must ensure that
14 unemployment insurance claimants remain actively involved in
15 reemployment activities and that an independent evaluation be conducted
16 of the call center approach to unemployment insurance.

17 **Sec. 2.** RCW 50.20.140 and 1951 c 215 s 4 are each amended to read
18 as follows:

1 An application for initial determination, a claim for waiting
2 period, or a claim for benefits shall be filed in accordance with such
3 ((regulations)) rules as the commissioner may prescribe. An
4 application for an initial determination may be made by any individual
5 whether unemployed or not. Each employer shall post and maintain
6 printed statements of such ((regulations)) rules in places readily
7 accessible to individuals in his or her employment and shall make
8 available to each such individual at the time he or she becomes
9 unemployed, a printed statement of such ((regulations)) rules and such
10 notices, instructions, and other material as the commissioner may by
11 ((regulation)) rule prescribe. Such printed material shall be supplied
12 by the commissioner to each employer without cost to ((him)) the
13 employer.

14 The term "application for initial determination" shall mean a
15 request in writing, or by other means as determined by the
16 commissioner, for an initial determination. The term "claim for
17 waiting period" shall mean a certification, after the close of a given
18 week, that the requirements stated herein for eligibility for waiting
19 period have been met. The term "claim for benefits" shall mean a
20 certification, after the close of a given week, that the requirements
21 stated herein for eligibility for receipt of benefits have been met.

22 A representative designated by the commissioner shall take the
23 application for initial determination and for the claim for waiting
24 period credits or for benefits. When an application for initial
25 determination has been made, the employment security department shall
26 promptly make an initial determination which shall be a statement of
27 the applicant's base year wages, his or her weekly benefit amount, his
28 or her maximum amount of benefits potentially payable, and his or her
29 benefit year. Such determination shall fix the general conditions
30 under which waiting period credit shall be granted and under which
31 benefits shall be paid during any period of unemployment occurring
32 within the benefit year fixed by such determination.

33 NEW SECTION. Sec. 3. A new section is added to chapter 50.20 RCW
34 to read as follows:

35 The employment security department will ensure that within a
36 reasonably short period of time after the initiation of benefits, all
37 unemployment insurance claimants, except those with employer
38 attachment, union referral, in commissioner approved training, or the

1 subject of antiharassment orders, register for job search in an
2 electronic labor exchange system that supports direct employer access
3 for the purpose of selecting job applicants.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 50.20 RCW
5 to read as follows:

6 To ensure that following the initial application for benefits, an
7 individual is actively engaged in searching for work, effective July 1,
8 1999, the employment security department shall implement a job search
9 monitoring program. Except for those individuals with employer
10 attachment or union referral, and individuals in commissioner-approved
11 training, an individual who has received five or more weeks of benefits
12 under this title must provide evidence of seeking work, as directed by
13 the commissioner or commissioner's agents, for each week beyond five in
14 which a claim is filed. The evidence must demonstrate contacts with at
15 least three employers per week or documented in-person job search
16 activity at the local reemployment center. In developing the
17 requirements for the job search monitoring program, the commissioner or
18 the commissioner's agents shall utilize an existing advisory committee
19 having equal representation of employers and workers.

20 NEW SECTION. **Sec. 5.** (1) The joint legislative audit and review
21 committee, in consultation with members of the senate and house of
22 representatives commerce and labor committees and the unemployment
23 insurance advisory committee, shall conduct an evaluation of the new
24 call center approach to unemployment insurance. The evaluation shall
25 review the performance of the call center system, including, but not
26 limited to, the: (a) Promptness of payments; (b) number and types of
27 errors; (c) amount and types of fraud; and (d) level of overpayments
28 and underpayments, compared with the current system.

29 (2) The joint legislative audit and review committee is directed to
30 contract with a private entity consistent with the provisions of
31 chapter 39.29 RCW. The committee shall consult with the unemployment
32 insurance advisory committee in the design of the request for proposals
33 from potential contractors and shall use the advisory committee to
34 evaluate the responses. The joint legislative audit and review
35 committee shall provide a report on its findings and recommendations to
36 the appropriate standing committee of the senate and house of
37 representatives by September 1, 2001.

1 NEW SECTION. **Sec. 6.** The employment security department is
2 authorized to expend funds provided under RCW 50.24.014(1)(b) for the
3 purposes of the evaluation provided for in section 5 of this act.

4 **Sec. 7.** RCW 50.24.014 and 1994 c 187 s 3 are each amended to read
5 as follows:

6 (1)(a) A separate and identifiable account to provide for the
7 financing of special programs to assist the unemployed is established
8 in the administrative contingency fund. Contributions to this account
9 shall accrue and become payable by each employer, except employers as
10 described in RCW 50.44.010 and 50.44.030 who have properly elected to
11 make payments in lieu of contributions, taxable local government
12 employers as described in RCW 50.44.035, and those employers who are
13 required to make payments in lieu of contributions, at a basic rate of
14 two one-hundredths of one percent. The amount of wages subject to tax
15 shall be determined under RCW 50.24.010.

16 (b) For the first calendar quarter of 1994 only, the basic two one-
17 hundredths of one percent contribution payable under (a) of this
18 subsection shall be increased by one-hundredth of one percent to a
19 total rate of three one-hundredths of one percent. The proceeds of
20 this incremental one-hundredth of one percent shall be used solely for
21 the purposes described in section 22, chapter 483, Laws of 1993, and
22 for the purposes ~~((described in RCW 50.40.060))~~ of conducting an
23 evaluation of the call center approach to unemployment insurance under
24 section 5 of this act. Any surplus from contributions payable under
25 this subsection (b) will be deposited in the unemployment compensation
26 trust fund.

27 (2)(a) Contributions under this section shall become due and be
28 paid by each employer under rules as the commissioner may prescribe,
29 and shall not be deducted, in whole or in part, from the remuneration
30 of individuals in the employ of the employer. Any deduction in
31 violation of this section is unlawful.

32 (b) In the payment of any contributions under this section, a
33 fractional part of a cent shall be disregarded unless it amounts to
34 one-half cent or more, in which case it shall be increased to one cent.

35 (3) If the commissioner determines that federal funding has been
36 increased to provide financing for the services specified in chapter
37 50.62 RCW, the commissioner shall direct that collection of

1 contributions under this section be terminated on the following January
2 1st.

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