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**SUBSTITUTE HOUSE BILL 2703**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** House Labor & Workplace Standards (originally sponsored by Representatives Sells, McCabe, Doglio, Dolan, Gregerson, and Ortiz-Self; by request of Employment Security Department)

AN ACT Relating to clarifying hours and wages for education employee compensation claims; amending RCW 50.44.050, 50.44.053, and 50.44.055; and creating new sections.

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

**Sec.**  RCW 50.44.050 and 2001 c 100 s 2 are each amended to read as follows:

Except as otherwise provided in subsections (1) through ((~~(4)~~)) (5) of this section, benefits based on services in employment covered by or pursuant to this chapter shall be payable on the same terms and subject to the same conditions as compensation payable on the basis of other service subject to this title.

(1) Benefits based on ((~~any and all~~)) service in an instructional, research, or principal administrative capacity for ((~~any and all~~)) an educational institution((~~s~~)) shall not be paid to an individual for any week of unemployment which commences during the period between two successive academic years or between two successive academic terms within an academic year (or, when an agreement provides instead for a similar period between two regular but not successive terms within an academic year, during such period) if such individual performs such services in the first of such academic years or terms and if there is a contract or reasonable assurance that such individual will perform services in any such capacity for ((~~any~~)) an educational institution in the second of such academic years or terms. ((~~Any employee of a common school district who is presumed to be reemployed pursuant to RCW 28A.405.210 shall be deemed to have a contract for the ensuing term.~~))

(2) Benefits shall not be paid based on ((~~any and all~~)) services in any other capacity for ((~~any and all~~)) an educational institution((~~s~~)) for any week of unemployment which commences during the period between two successive academic years or between two successive academic terms within an academic year, if such individual performs such services in the first of such academic years or terms and there is a reasonable assurance that such individual will perform such services in the second of such academic years or terms: PROVIDED, That if benefits are denied to any individual under this subsection and that individual was not offered an opportunity to perform such services for the educational institution for the second of such academic years or terms, the individual is entitled to a retroactive payment of benefits for each week for which the individual filed a timely claim for benefits and for which benefits were denied solely by reason of this subsection.

(3) Benefits shall not be paid based on any services described in subsections (1) and (2) of this section for any week of unemployment which commences during an established and customary vacation period or holiday recess if such individual performs such services for ((~~any~~)) an educational institution in the period immediately before such vacation period or holiday recess, and there is a reasonable assurance that such individual will perform such services for ((~~any~~)) an educational institution in the period immediately following such vacation period or holiday recess.

(4) Benefits shall not be paid (as specified in subsections (1), (2), or (3) of this section) based on any services described in subsections (1) or (2) of this section to any individual who performed such services in any educational institution while in the employ of an educational service district which is established pursuant to chapter 28A.310 RCW and exists to provide services to local school districts.

(5) When an individual performs services for more than one educational institution in an academic year or term, wages earned by the individual from those educational institutions that do not provide a contract or reasonable assurance of employment in the subsequent academic year or term may be used to establish a claim for benefits, even if a contract or reasonable assurance exists for another educational institution.

(6) As used in this section, "academic year" means: Fall, winter, spring, and summer quarters or comparable semesters unless, based upon objective criteria including enrollment and staffing, the quarter or comparable semester is not in fact a part of the academic year for the particular institution.

**Sec.**  RCW 50.44.053 and 2001 c 99 s 2 are each amended to read as follows:

(1) The ((~~term "reasonable assurance," as used in RCW 50.44.050, means a written, verbal, or implied agreement that the employee will perform services in the same capacity during the ensuing academic year or term as in the first academic year or term. A person shall not be deemed to be performing services "in the same capacity" unless those services are rendered under the same terms or conditions of employment in the ensuing year as in the first academic year or term.~~

~~(2) An individual who is tenured or holds tenure track status is considered to have reasonable assurance, unless advised otherwise by the college. For the purposes of this section, tenure track status means a probationary faculty employee having an opportunity to be reviewed for tenure.~~

~~(3) In the case of community and technical colleges assigned the standard industrial classification code 8222 or the North American industry classification system code 611210 for services performed in a principal administrative, research, or instructional capacity, a person is presumed not to have reasonable assurance under an offer that is conditioned on enrollment, funding, or program changes. It is the college's burden to provide sufficient documentation to overcome this presumption.~~)) following prerequisite requirements must be met before making a determination about whether there is a "contract," under RCW 50.44.050, or "reasonable assurance," under RCW 50.44.050 and 50.44.055:

(a) The offer of employment may be written, verbal, or implied, and must be made by an individual with actual authority to offer employment;

(b) The offer of employment provides that the employee will perform services in the same capacity during the ensuing academic year or term (or remainder of the current academic year or term) as in the first academic year or term; and

(c) The economic conditions of the offer of employment may not be considerably less in the following academic year or term (or portion thereof) than in the first academic year or term (or portion thereof). "Considerably less" includes the condition that the individual will not earn at least ninety percent of the wages earned in the prior academic year or term.

(2) If all prerequisite requirements in subsection (1) of this section are satisfied, the department must determine if a contract exists. If any prerequisite in subsection (1) of this section is not satisfied, the department may not deny the claimant unemployment compensation based on the between and within term denial provisions. The term "contract," as that term is used in this section and RCW 50.44.050, means an enforceable, noncontingent agreement that provides for compensation for an entire academic year or on an annual basis. If a contract exists, the claimant may be subject to a denial of benefits.

(3) If no contract exists, the department must determine if the claimant has "reasonable assurance." The following factors will be considered in determining if an individual has "reasonable assurance," as that term is used in this section, RCW 50.44.050, and 50.44.055. For reasonable assurance to exist, each factor must be satisfied.

(a) If any contingencies in the employment offer are within the employer's control the claimant will not be considered to have reasonable assurance of employment. Contingencies within the employer's control include, but are not limited to:

(i) Course programming;

(ii) Funding allocation decisions;

(iii) Final course offerings; and

(iv) Facility availability.

(b) If contingencies are not within the employer's control, the department must determine whether it is highly probable the contingencies contained within the offer will be satisfied. Primary weight will be given to the contingent nature of an offer of employment.

(c) Reasonable assurance must be determined on a case-by-case basis ((~~by the total weight of evidence~~)) considering the totality of circumstances rather than on the existence of any one factor. ((~~Primary weight must be given to the contingent nature of an offer of employment based on enrollment, funding, and program changes.~~)) For an individual to have reasonable assurance of employment, the totality of the circumstances must show that it is highly probable that employment will be available in the next academic year or term, and that the contingencies of that employment will be satisfied.

(4) An individual who is tenured or holds tenure track status is considered to have reasonable assurance, unless advised otherwise by the college. For the purposes of this section, tenure track status means a probationary faculty employee having an opportunity to be reviewed for tenure.

**Sec.**  RCW 50.44.055 and 2001 c 99 s 1 are each amended to read as follows:

The legislature finds the interests of the state and its citizens are best served by a strong ((~~community and technical college~~)) education system. ((~~As described by their establishing legislation, these two~~‑~~year institutions are an independent, unique, and vital section of our state's higher education system, separate from both the common school system and other institutions of higher education.~~)) Paramount to that system's success is the attraction and retention of qualified instructors. In order to attract and retain instructors, those who are subject to uncertainties of employment must be provided assurance that their economic needs are addressed. ((~~Over time, a change in hiring patterns has occurred, and for the last decade a substantial portion of community and technical college faculty are hired on a contingent, as needed, basis. That contingent nature distinguishes them from the more stable, majority employment found in the common school system and in the other institutions of higher education.~~)) Contingent assurances of future employment are often speculative and do not rise to the level of other forms of assurance. As such, ((~~assurances conditioned on forecast enrollment, funding, or program decisions are typically not reasonable assurances of employment~~)) the factors presented in RCW 50.44.053 must be used to determine if reasonable assurance of employment exists.

It is the intent of the legislature that reasonable assurance continue to apply to all employees of educational institutions as required by federal provisions and RCW 50.44.080.

NEW SECTION. **Sec.**  If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is inoperative solely to the extent of the conflict, and this finding or determination does not affect the operation of the remainder of this act. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec.**  This act applies to claimed weeks of unemployment on or after October 1, 2018.

**--- END ---**