

# HOUSE BILL REPORT

## ESB 5770

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### As Reported By House Committee On:

Commerce & Labor

**Title:** An act relating to unemployment insurance claimant profiling.

**Brief Description:** Providing for unemployment insurance claimant profiling.

**Sponsors:** Senators Pelz, Newhouse and Deccio; by request of Employment Security Department.

### Brief History:

#### Committee Activity:

Commerce & Labor: 3/30/95 [DPA].

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## HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass as amended. Signed by 10 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Goldsmith and Horn.

**Staff:** Chris Cordes (786-7117).

**Background:** In 1994, federal law was amended to require the states to modify their unemployment insurance laws to provide for worker profiling. The purpose of the profiling system is to identify unemployment claimants who are likely to exhaust benefits and who need assistance to find employment.

The commissioner of the Employment Security Department may exempt an unemployment insurance recipient from reporting, work search, and other eligibility requirements while the recipient is progressing successfully in training. Dislocated workers are considered to be in training with the approval of the commissioner, as long as they progress satisfactorily.

The Joint Task Force on Unemployment Insurance, created in 1993 to undertake an in-depth review of Employment Security Department programs, studied programs relating to employment and training. The task force's draft report recommends that the department should strengthen its efforts to provide commissioner-approved training and encourage its use by those who are likely to exhaust their benefits.

**Summary of Amended Bill:** A claimant profiling system is to be established by the commissioner of the Employment Security Department. The system must identify permanently separated workers who are likely to have difficulty becoming reemployed, using individual characteristics and labor market information to assign a unique probability of benefit exhaustion.

Claimants determined as likely to exhaust benefits and to need reemployment services will be referred to reemployment services to the extent that the services are available at public expense. The claimant must participate in the services to be eligible for unemployment benefits unless the claimant has completed the services or there is justifiable cause for failure to participate.

In addition to dislocated workers, persons satisfactorily progressing in training who are long-term unemployed or who fit the profile of claimants likely to exhaust their unemployment benefits are considered to be in training with the approval of the commissioner of the Employment Security Department for purposes of the requirements for unemployment insurance benefit eligibility. Persons fitting these categories must be given information, at the time of claim filing, concerning the right to receive benefits while satisfactorily progressing in approved training.

Any part of the bill found to conflict with federal requirements is inoperative.

**Amended Bill Compared to Engrossed Bill:** The amendment adds a provision that, in addition to dislocated workers, persons satisfactorily progressing in training who are long-term unemployed or who fit the profile of claimants likely to exhaust their unemployment benefits are considered to be in training with the approval of the commissioner of the Employment Security Department for purposes of the requirements for benefit eligibility. Persons fitting these categories must be given information, at the time of claim filing, concerning the right to receive benefits while satisfactorily progressing in approved training.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill is the result of federal legislation that requires the states' unemployment insurance programs to include claimant profiling systems.

**Testimony Against:** None.

**Testified:** Graeme Sackrison, Employment Security Department.