

# HOUSE BILL REPORT

## HB 3021

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### As Reported By House Committee On:

Commerce & Labor

**Title:** An act relating to requiring proof of seeking work for unemployment compensation benefits.

**Brief Description:** Requiring proof of seeking work for unemployment compensation benefits.

**Sponsors:** Representatives Boldt, McMorris, Honeyford, Thompson and Mulliken.

### Brief History:

#### Committee Activity:

Commerce & Labor: 2/4/98, 2/5/98 [DPS].

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Boldt; Clements; Hatfield and Lisk.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; and Cole.

**Staff:** Pam Madson (786-7166).

**Background:** In order to remain eligible for unemployment insurance benefits, an unemployed individual must be actively seeking work according to customary trade practices or as directed by the commissioner or the commissioner's agent. There is no requirement for claimants to submit to the department a list of employer contacts with each weekly filing for benefits, but claimants must certify that they are conducting a search for work for each week in which benefits are claimed.

The Employment Security Department is responsible for monitoring claimants who are receiving benefits to verify that the claimant is conducting an active search for work. The claimant must be able to provide details of work search activity when requested. The department may specifically direct an individual's work search efforts. A claimant who does not meet this requirement is subject to loss of benefits, typically for the week during which the work search requirement is not met.

**Summary of Substitute Bill:** The work search requirement for continued eligibility for unemployment insurance benefits is further defined. An individual who has received five or more weeks of benefits must provide evidence of a search for work as directed by the commissioner or the commissioner's agents. For each week beyond five weeks, such evidence must show at least three different employer contacts with the employer's acknowledgment that the individual sought work with that employer. Individuals with employer attachment or union referral or individuals in commissioner-approved training are excepted from the requirement to provide evidence of their search for work for the sixth week and beyond in which they claim benefits.

The Employment Security Department must ensure that unemployment insurance claimants register with a job bank to which employers have access. Claimants with employer attachment or union referral, individuals in commissioner-approved training, and claimants who are the subject of anti harassment orders are excused from this registration requirement.

**Substitute Bill Compared to Original Bill:** Certain claimants are excepted from the requirement to provide evidence of their search for work for the sixth week and beyond in which they claim benefits. The Employment Security Department must ensure that unemployment insurance claimants register with a job bank to which employers have access. Certain claimants are excused from this registration requirement.

**Appropriation:** None.

**Fiscal Note:** Requested on February 5, 1998.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The work search requirement for unemployment insurance is not clearly spelled out in statute. This work search requirement is not as rigorous as that required for the Temporary Assistance for Needy Families program. When this issue was studied, it was shown that eliminating the job search requirement increased the average length of unemployment claims by three weeks. The department is given flexibility under the language of the bill to implement this reporting requirement in a variety of ways. It's time to reenforce an individuals responsibility to seek work while receiving unemployment insurance benefits.

**Testimony Against:** People do seek work when they are unemployed and do find it. There are those who are unemployed but for whom jobs are not available. There is a work search requirement in statute. Prior efforts to require unemployed individuals to report contacts with employers did not show that people were re employed sooner. Employers became frustrated with repeated contacts from individuals seeking work when there were no jobs available. Some employers did not want people contacting them on

a job site. When individuals submit contacts with employers, it is difficult to verify the contact. Not all individuals seek work by direct employer contact. Some use other methods like resumes and newspaper ads. These contact are difficult to verify.

**Testified:** (In support) Representative Marc Boldt, prime sponsor; Clif Finch, Association of Washington Business; Chuck Peters, Association of Washington Business; Carolyn Logue, National Federation of Independent Business; Gary Smith; Independent Business Association; John Wurling, Washington Farm Bureau; Ron Gamache, Washington Farm Bureau; and Dave Stueckle, Washington Farm Bureau. (Opposed) Jeff Johnson, Washington State Labor Council; Alan Darr, International Union of Operating Engineers; Robert Dilger, Washington Building and Construction Trades Council; and Richard King, International Brotherhood of Electrical Workers. (With concerns) Dale Zeigler, Employment Security Department.