

# SENATE BILL REPORT

## ESHB 2947

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As Reported By Senate Committee On:  
Commerce & Labor, March 6, 1998

**Title:** An act relating to unemployment compensation for part-time faculty.

**Brief Description:** Revising unemployment compensation for part-time faculty.

**Sponsors:** House Committee on Commerce & Labor (originally sponsored by Representatives McMorris, Conway, Carlson, Kenney, Costa, Wood, Ogden and Gardner; by request of Employment Security Department).

**Brief History:**

**Committee Activity:** Commerce & Labor: 3/6/98 [DP].

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass.

Signed by Senators Schow, Chair; Horn, Vice Chair; Anderson, Franklin, Fraser and Heavey.

**Staff:** Patrick Woods (786-7430)

**Background:** In 1995, the State Legislature in response to a Washington Court of Appeals decision (*Evans v. Employment Security*, 72 Wn. App. (1994)) authorized the payment of unemployment insurance benefits to part-time community college faculty who are unemployed during the summer months provided: 1) the institution in which the part-time faculty is regularly employed does conduct a necessary level of instructional activity during summer quarter; or 2) the faculty member has not received reasonable assurance— that they will be employed in the following academic year.

The modifications to the state statute were tightly drawn to include only part-time community and technical college faculty and did not impact permanent instructional staff or part-time faculty of other academic institutions. The Department of Employment Security was directed to include summer quarter in the academic year unless determined otherwise. In addition, under the definition of reasonable assurance,— a part-time community college or technical college faculty member was not considered to have sufficient certainty of employment in the following academic year if his or her contract was contingent on enrollment, funding or program changes.

During 1997, the U.S. Department of Labor determined that this statute is potentially out of conformity with the federal unemployment law because it provides special treatment to certain types of faculty members and does not apply to all instructional staff. The federal statute requires equal treatment of academic staff.

If Washington is ruled out of conformity with the federal unemployment law, Washington employers will lose an estimated \$872 million in tax credits. In addition, the state will not receive an estimated \$80 million in administrative funding for the Department of Employment Security.

**Summary of Bill:** The Legislature recognizes the need to bring the state's unemployment compensation law into conformity with federal law, and recognizes that there are instructional staff at the state's educational institutions that have less assurance of returning to employment in an ensuing academic year or term than others. The Legislature declares its intent that the Employment Security Department continue to handle determinations of eligibility for unemployment compensation in cases involving a finding of reasonable assurance on a case by case basis consistent with federal guidelines and to consider contingencies that exist in each individual case. The Legislature further declares that removing reference to contingent agreements is not intended to change the practice of the Employment Security Department when determining reasonable assurance.

The federal conformity issues concerning the payment of unemployment insurance to part-time community college faculty are eliminated by the following modifications:

1. Academic year– continues to be defined to include the summer quarter unless the Department of Employment Security, based on objective criteria, determines it to be otherwise. In addition, this definition is now consistent across all academic institutions; and
2. The provision defining reasonable assurance– as not including agreements that are contingent on funding, enrollment or program changes is deleted.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This bill is needed to keep Washington State's unemployment insurance statutes in compliance with federal standards. If this bill is not passed this session, the Employment Security Department may lose \$80 million in federal administrative funds and the state's employers may be required to pay over \$800 million under the federal Unemployment Tax Act.

**Testimony Against:** The bill, while necessary to comply with federal standards, may result in part-time community college faculty not receiving unemployment benefits during the summer.

**Testified:** PRO: Graeme Sackrison, ESD; Sandra Schroeder, Washington Federation of Teachers; Jeff Johnson, Washington State Labor Council; Clif Finch, AWB; Dedi Hitchens, NFIB; CON: Dana Rush, Green River Community College.