

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE SENATE BILL 6420**

Chapter 161, Laws of 1998

55th Legislature  
1998 Regular Session

UNEMPLOYMENT INSURANCE BENEFITS APPLICATIONS FOR INITIAL  
DETERMINATIONS--REVISIONS

EFFECTIVE DATE: 6/11/98

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

BRAD OWEN

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**President of the Senate**

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

CLYDE BALLARD

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**Speaker of the  
House of Representatives**

Approved March 25, 1998

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.

MIKE O'CONNELL

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**Secretary**

FILED

March 25, 1998 - 4:47 p.m.

GARY LOCKE

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 6420**

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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.

Passed the Senate March 9, 1998.

Passed the House March 6, 1998.

Approved by the Governor March 25, 1998.

Filed in Office of Secretary of State March 25, 1998.