

SENATE BILL REPORT

ESB 5819

As Passed Senate, May 17, 1999

Title: An act relating to additional unemployment benefits.

Brief Description: Modifying the benefits period for certain unemployed workers.

Sponsors: Senators Shin, Costa and Eide; by request of Governor Locke.

Brief History:

Committee Activity: Labor & Workforce Development: 2/18/99, 3/2/99 [DPA, DNPA]
Passed Senate, 3/12/99, 33-16.

First Special Session: Passed Senate, 5/17/99, 31-15.

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Fairley, Chair; Franklin, Vice Chair; Kline and Wojahn.

Minority Report: Do not pass as amended.

Signed by Senators Hochstatter and Oke.

Staff: Joanne Conrad (786-7472)

Background: Unemployment insurance benefits are provided to qualified workers, in order to help stabilize them financially, while they seek re-employment. In the case of some workers, however, re-employment in the same industry may be difficult to achieve, due to extrinsic factors beyond the workers' control, such as economic dislocation, market cycles, or external stress on natural resources within their industry. Recent examples in Washington State include timber and fisheries.

Concerns exist that dislocated workers may need additional weeks of unemployment insurance benefits to give them time to retrain in another type of work. Currently, workers in timber and fishing receive such extended benefits for 18 months, a benefit that will expire on June 30, 1999.

Summary of Bill: Additional unemployment insurance benefit periods are established for aerospace workers, timber workers, and fin fishers, as well as for other categories of dislocated workers. Two years of additional benefits are available to aerospace workers, timber workers and fin fishers until June 30, 2001. Other dislocated workers can obtain one year of extended benefits.

A county-based system of determining eligibility for extended benefits by calculating relative unemployment by percent, and by job loss in the lumber and wood products and commercial salmon fishing industries, is replaced with the new, industrial category-based system, which designates affected industries by Standard Industrial Code, regardless of location.

All base year employers are considered legally "interested parties," giving them the right to appeal the granting of additional benefits. A worker's base year of earned wages is decreased from 1,000 hours to 680 hours.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Financial security is important to families. Workers in industries undergoing economic displacement need additional time to retrain while receiving unemployment benefits.

Testimony Against: Employers paying into the UI trust fund have to pay more. This bill harms rural workers to benefit urban ones. It will increase payroll taxes. Permanent extended benefits are problematic.

Testified: PRO: Senator Shin, prime sponsor; Representative Aaron Reardon; Representative John Lovick; Representative Mike Stensen; Representative Mike Cooper; Rich Nafziger, Office of the Governor; Linda Kension; Joanna Rose; Harold Abbe, Assn. of Western Pulp and Paper Workers; Carver Gayton, Director, Employment Security Dept.; Linda Lanham, Machinists Union; CON: Jim Warling, MarJan Orchard; Clif Finch, AWB; Gary Smith, Independent Business Assn.; Carolyn Logue, NFIB.