

SENATE BILL REPORT

SB 5317

As Passed Senate, March 10, 2001

Title: An act relating to use of school hours and wages for unemployment compensation claims for educational employees.

Brief Description: Clarifying hours and wages for educational employee compensation claims.

Sponsors: Senators Prentice and Winsley; by request of Employment Security Department.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 2/6/01 [DP].

Passed Senate: 3/10/01, 48-0.

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Benton, Franklin, Hochstatter, Honeyford, Patterson, Rasmussen, Regala, West and Winsley.

Staff: Joanne Conrad (786-7472)

Background: Whether a teacher may qualify for unemployment insurance benefits during school breaks generally depends upon whether the teacher was working at a school, and is likely to work again the next term. Unemployment benefits are generally unavailable during school breaks, in cases of ongoing school employment.

In a 1995 case, *Pechman v. the Employment Security Department*, 77 Wn App. 725, the appellate court held that a teacher could continue to receive a portion of her unemployment benefits based upon previous employment at a different school than the one then employing her as a substitute teacher. The court reasoned that the controlling statute distinguished between base year employment at a particular school, compared with previous and ongoing employment at any school. The court held that a former full-time teacher who became a substitute in a different school was eligible during school holidays to receive partial unemployment benefits based upon the teacher's prior full-time employment.

Federal law, however, is unconcerned with which educational institution was the employer during the base period. Instead, federal law focuses on whether any services were performed at any school, and requires that any and all base year wage credits earned at any and all educational institutions disqualify a teacher for unemployment benefits during school breaks, if the teacher will be returning to work at any educational institution.

The federal Department of Labor has clearly indicated an intention to sanction Washington State if it does not comply with federal law in this matter.

Summary of Bill: Legislative intent to comply with federal law is expressed, and terminology is clarified regarding employment at educational institutions. Any and all base year credits earned in any and all educational institutions are considered when determining eligibility for unemployment insurance benefits during school breaks or other situations, in conformity with federal law.

Appropriation: None.

Fiscal Note: Requested on January 23, 2001.

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

Testimony For: This bill is necessary to comply with federal law.

Testimony Against: None.

Testified: Paul Trause, Employment Security Department (pro).