

2 **ESHB 1988** - S AMD (S3323.3)

3 By Senators Skratek, Bluechel and Rinehart

4 ADOPTED AS AMENDED BY 000909 - 4/19/93

5 On page 1, after line 7, strike everything through "1994." on page
6 21, line 4, and insert the following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that:

8 (1) The economy of the state depends on a well-trained work force
9 and a strong employment system. A well-trained work force generates
10 the productivity employers need in order to compete in the global
11 economy and to pay workers good wages. A strong employment and
12 unemployment system ameliorates the negative impacts of unemployment
13 and matches the needs of employers with individuals seeking employment.

14 (2) The legislature further finds that too many Washington workers
15 are unemployed, many of whom need new or enhanced work force skills in
16 order to meet current demand in the labor market. With the increasing
17 pace of economic change, employees must become life-long learners who
18 periodically obtain additional education and training. The state
19 should provide unemployed workers a variety of effective services,
20 including timely payment of unemployment benefits, job and career
21 counseling, job referral services, and training.

22 (3) At the same time, too many employers report problems finding
23 workers with the right skills. The state should provide employers with
24 an effective training system and an efficient method for locating well-
25 qualified workers.

26 Therefore, the legislature finds it necessary and in the public
27 interest to create an employment and training trust fund in order to
28 provide state funding for employment and training services.

29 NEW SECTION. **Sec. 2.** It is the purpose of this act to reduce the
30 amount paid by employers in the state to the unemployment compensation
31 fund by twelve one-hundredths of one percent of taxable wages.

32 It is also the purpose of this act to establish a separate fund for
33 training and employment services for dislocated workers. This fund
34 shall consist of contributions of twelve one-hundredths of one percent
35 of taxable wages.

1 It is the intent of the legislature that this act not result in any
2 net increase in employer tax rates.

3 It is the further intent of the legislature that the employment
4 security department and the state board for community and technical
5 colleges shall work cooperatively to ensure expeditious training and
6 placement of dislocated workers.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 50.24 RCW
8 to read as follows:

9 Employment and training trust fund contributions to the employment
10 and training trust fund shall accrue and become payable by each
11 employer consistent with the tax schedule in RCW 50.29.025 as now
12 existing or hereafter amended, except employers as described in RCW
13 50.44.010 and 50.44.030 who have properly elected to make payments in
14 lieu of contributions, taxable local government employers as described
15 in RCW 50.44.035, those employers who are required to make payments in
16 lieu of contributions, and those qualified employers assigned rate
17 class 20 under RCW 50.29.025 at the rate of twelve one-hundredths of
18 one percent for rate years 1994, 1995, 1996, and 1997. The amount of
19 wages subject to tax shall be determined under RCW 50.24.010.

20 NEW SECTION. **Sec. 4.** A new section is added to chapter 50.16 RCW
21 to read as follows:

22 There is hereby established the employment and training trust fund.
23 All moneys in this fund are irrevocably vested for the administration
24 of this title. The employment and training trust fund shall consist of
25 all moneys from employment and training trust fund contributions as
26 established in section 3 of this act. The treasurer of the employment
27 security department shall deposit, administer, and disburse all moneys
28 in the fund under rules adopted by the commissioner and RCW 43.01.050
29 and 43.84.092 are not applicable to this fund. The treasurer of the
30 employment security department shall be the treasurer of the employment
31 and training trust fund as described in RCW 50.16.020 and shall give a
32 bond conditioned upon the faithful performance of his or her duties in
33 connection with the fund. All sums recovered on the official bond for
34 losses sustained by the employment and training trust fund must be
35 deposited in the fund. Notwithstanding any provision of this section,
36 all moneys received and deposited in the fund under chapter . . . , Laws

1 of 1993 (this act), remain part of the employment and training trust
2 fund and may be used solely for the following purposes:

3 (1) Providing training and related support services, including
4 financial aid, to individuals who have been terminated or have received
5 a notice of termination from employment, and who are eligible for or
6 have exhausted their entitlement to unemployment compensation benefits
7 within the previous twenty-four months;

8 (2) Assisting workers in finding employment through job referral,
9 job development, counseling, and referral to training resources;

10 (3) Obtaining labor market information necessary for the
11 administration of the unemployment insurance program and to assist
12 unemployed workers in finding employment. In obtaining the information
13 the employment security department shall ensure the inclusion of
14 information gathered from small businesses as defined in RCW 43.31.025,
15 with particular emphasis on businesses with fifteen or fewer employees;

16 (4) Performing research by an independent state auditing agency or
17 an independent contractor to determine effectiveness of unemployment
18 insurance programs and to determine whether program changes would
19 benefit workers and employers;

20 (5) Collecting contributions for and administration of the
21 employment and training trust fund;

22 (6) Improving service through improved use of information
23 technology; and

24 (7) Establishing collocation employment security and job service
25 outstations at community and technical college campuses across the
26 state. These outstations shall provide a one-stop point of access for
27 unemployed and dislocated workers seeking job placement services,
28 training program information, and labor market information. In
29 communities without co-located outstations the local job service center
30 and community or technical college shall collaborate to provide these
31 services.

32 NEW SECTION. **Sec. 5.** For calculations occurring on or after June
33 30, 1994, and in accordance with RCW 50.29.025, if the commissioner
34 determines that the employment and training trust fund contributions
35 for the most recent rate year have increased employer unemployment
36 compensation contribution rates, the revenues received by the
37 department from the employment and training contribution for calendar
38 quarters beginning the following July 1st shall not be deposited in the

1 employment and training trust fund but shall be deposited in the
2 unemployment compensation fund.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 50.16 RCW
4 to read as follows:

5 An individual may be eligible for applicable employment security
6 benefits while participating in work force training. Eligibility is at
7 the discretion of the commissioner of employment security after
8 submitting a commissioner-approved training waiver and developing a
9 detailed individualized training plan.

10 Benefits paid under this section may not be charged to the
11 experience rating accounts of individual employers.

12 The commissioner shall adopt rules as necessary to implement this
13 section.

14 NEW SECTION. **Sec. 7.** Aerospace workers unemployed as the result
15 of downsizing and restructuring of the aerospace industry will be
16 deemed to be dislocated workers for the purpose of commissioner
17 approval of training under RCW 50.20.043.

18 NEW SECTION. **Sec. 8.** (1) The employment security department shall
19 disburse the amounts appropriated by the legislature for the purposes
20 of chapter . . . , Laws of 1993 (this act) to the state board for
21 community and technical colleges. These funds shall be allotted for,
22 and only for, training programs and related support services, including
23 financial aid, in the community and technical college system that:

24 (a) Are consistent with work force training priorities and based
25 upon the comprehensive plan for work force training developed by the
26 work force training and education coordinating board. The state board
27 for community and technical colleges shall develop a plan for use and
28 evaluation of these funds which is to be approved by the work force
29 training and education coordinating board for consistency with their
30 work force priorities. In developing and approving the plan,
31 information shall be gathered from small businesses as defined in RCW
32 43.31.025, with particular emphasis on businesses with fifteen or fewer
33 employees. Further, the state board for community and technical
34 colleges shall report to the work force training and education
35 coordinating board and the legislature annually on the progress and

1 results of the training and support services provided to eligible
2 participants;

3 (b) Provide increased enrollments for individuals who have been
4 terminated or have received a notice of termination from employment,
5 and who are eligible for or have exhausted their entitlement to
6 unemployment compensation benefits within the previous twenty-four
7 months, with first priority given to individuals who are unlikely to
8 return to employment in the individuals' principal occupation or
9 previous industry because of a diminishing demand for their skills in
10 that occupation or industry; and

11 (c) Provide increased enrollments and support services, including
12 financial aid, that do not replace or supplant any existing
13 enrollments, programs, support services, or funding sources. For
14 fiscal year 1994, the state board for community and technical colleges
15 may borrow from the general fund to initiate the programs authorized
16 under this act. However, the board shall repay the borrowed amount by
17 the end of the fiscal biennium from funds appropriated to it from the
18 employment and training trust fund.

19 (2) For purposes of chapter . . . , Laws of 1993 (this act),
20 training provided by the community and technical colleges shall only
21 consist of basic skills and literacy, occupational skills, vocational
22 education, and related or supplemental instruction for apprentices who
23 are enrolled in a registered, state-approved apprenticeship program.
24 Community and technical colleges may contract with skill centers to
25 provide training authorized in this section. Upon the request of an
26 eligible recipient, a community and technical college may contract with
27 a private technical school for specialized vocational training.
28 Available tuition for the training is limited to the amount that would
29 otherwise be obtained per enrolled quarter to a public institution.
30 Furthermore, the funding is only available to students who seek
31 training in a course of study not available at a public institution
32 within an eligible recipient's congressional district.

33 **Sec. 9.** RCW 50.16.010 and 1991 sp.s. c 13 s 59 are each amended to
34 read as follows:

35 There shall be maintained as special funds, separate and apart from
36 all public moneys or funds of this state an unemployment compensation
37 fund, an administrative contingency fund, an employment and training
38 trust fund, and a federal interest payment fund, which shall be

1 administered by the commissioner exclusively for the purposes of this
2 title, and to which RCW 43.01.050 and 43.84.092 shall not be
3 applicable.

4 (1) The unemployment compensation fund shall consist of

5 ~~((+1))~~ (a) all contributions and payments in lieu of contributions
6 collected pursuant to the provisions of this title,

7 ~~((+2))~~ (b) any property or securities acquired through the use of
8 moneys belonging to the fund,

9 ~~((+3))~~ (c) all earnings of such property or securities,

10 ~~((+4))~~ (d) any moneys received from the federal unemployment
11 account in the unemployment trust fund in accordance with Title XII of
12 the social security act, as amended,

13 ~~((+5))~~ (e) all money recovered on official bonds for losses
14 sustained by the fund,

15 ~~((+6))~~ (f) all money credited to this state's account in the
16 unemployment trust fund pursuant to section 903 of the social security
17 act, as amended,

18 ~~((+7))~~ (g) all money received from the federal government as
19 reimbursement pursuant to section 204 of the federal-state extended
20 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

21 ~~((+8))~~ (h) all moneys received for the fund from any other source.

22 All moneys in the unemployment compensation fund shall be
23 commingled and undivided.

24 (2)(a) The administrative contingency fund shall consist of:

25 (i) All interest on delinquent contributions collected pursuant to
26 this title~~((7))~~i

27 (ii) All fines and penalties collected pursuant to the provisions
28 of this title~~((7))~~i

29 (iii) All sums recovered on official bonds for losses sustained by
30 the fund~~((7))~~i and

31 (iv) Revenue received under RCW 50.24.014:

32 PROVIDED, That all fees, fines, forfeitures and penalties collected
33 or assessed by a district court because of the violation of a state law
34 shall be remitted as provided in chapter 3.62 RCW as now exists or is
35 later amended.

36 (b) Moneys available in the administrative contingency fund, other
37 than money in the special account created under RCW 50.24.014, shall be
38 expended upon the direction of the commissioner, with the approval of

1 the governor, whenever it appears to him or her that such expenditure
2 is necessary for:

3 ~~((a))~~ (i) The proper administration of this title and no federal
4 funds are available for the specific purpose to which such expenditure
5 is to be made, provided, the moneys are not substituted for
6 appropriations from federal funds which, in the absence of such moneys,
7 would be made available.

8 ~~((b))~~ (ii) The proper administration of this title for which
9 purpose appropriations from federal funds have been requested but not
10 yet received, provided, the administrative contingency fund will be
11 reimbursed upon receipt of the requested federal appropriation.

12 Money in the special account created under RCW 50.24.014 may only
13 be expended, after appropriation, for the purposes specified in RCW
14 ~~((74.09.035, 74.09.510, 74.09.520, and 74.09.700))~~ 50.62.010,
15 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025,
16 50.24.014, 50.44.053, and 50.22.010.

17 (3) The employment and training trust fund shall consist of all
18 contributions received from the employment and training trust fund
19 contributions in accordance with section 3 of this act.

20 **Sec. 10.** RCW 50.16.010 and 1993 c s 9 (section 9 of this act)
21 are each amended to read as follows:

22 There shall be maintained as special funds, separate and apart from
23 all public moneys or funds of this state an unemployment compensation
24 fund, an administrative contingency fund, ~~((an employment and training~~
25 ~~trust fund,))~~ and a federal interest payment fund, which shall be
26 administered by the commissioner exclusively for the purposes of this
27 title, and to which RCW 43.01.050 ~~((and 43.84.092))~~ shall not be
28 applicable.

29 ~~((1))~~ The unemployment compensation fund shall consist of

30 ~~((a))~~ (1) all contributions and payments in lieu of contributions
31 collected pursuant to the provisions of this title,

32 ~~((b))~~ (2) any property or securities acquired through the use of
33 moneys belonging to the fund,

34 ~~((c))~~ (3) all earnings of such property or securities,

35 ~~((d))~~ (4) any moneys received from the federal unemployment
36 account in the unemployment trust fund in accordance with Title XII of
37 the social security act, as amended,

1 ~~((e))~~ (5) all money recovered on official bonds for losses
2 sustained by the fund,
3 ~~((f))~~ (6) all money credited to this state's account in the
4 unemployment trust fund pursuant to section 903 of the social security
5 act, as amended,
6 ~~((g))~~ (7) all money received from the federal government as
7 reimbursement pursuant to section 204 of the federal-state extended
8 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and
9 ~~((h))~~ (8) all moneys received for the fund from any other source.
10 All moneys in the unemployment compensation fund shall be
11 commingled and undivided.
12 ~~((2)(a))~~ The administrative contingency fund shall consist of~~((~~
13 ~~(i))~~ all interest on delinquent contributions collected pursuant
14 to this title~~((~~
15 ~~(ii))~~), all fines and penalties collected pursuant to the
16 provisions of this title~~((~~
17 ~~(iii))~~), all sums recovered on official bonds for losses sustained
18 by the fund~~((~~) and
19 ~~((iv))~~ revenue received under RCW 50.24.014:
20 PROVIDED, That all fees, fines, forfeitures and penalties collected
21 or assessed by a district court because of the violation of a state law
22 shall be remitted as provided in chapter 3.62 RCW as now exists or is
23 later amended.
24 ~~((b))~~ Moneys available in the administrative contingency fund,
25 other than money in the special account created under RCW 50.24.014,
26 shall be expended upon the direction of the commissioner, with the
27 approval of the governor, whenever it appears to him or her that such
28 expenditure is necessary for:
29 ~~((i))~~ (a) The proper administration of this title and no federal
30 funds are available for the specific purpose to which such expenditure
31 is to be made, provided, the moneys are not substituted for
32 appropriations from federal funds which, in the absence of such moneys,
33 would be made available.
34 ~~((ii))~~ (b) The proper administration of this title for which
35 purpose appropriations from federal funds have been requested but not
36 yet received, provided, the administrative contingency fund will be
37 reimbursed upon receipt of the requested federal appropriation.
38 Money in the special account created under RCW 50.24.014 may only
39 be expended, after appropriation, for the purposes specified in RCW

1 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
2 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

3 ~~((3) The employment and training trust fund shall consist of all~~
4 ~~contributions received from the employment and training trust fund~~
5 ~~contributions in accordance with section 2 of this act.))~~

6 **Sec. 11.** RCW 50.16.020 and 1983 1st ex.s. c 23 s 10 are each
7 amended to read as follows:

8 The commissioner shall designate a treasurer and custodian of the
9 unemployment compensation fund, the employment and training trust fund,
10 and ~~((ef))~~ the administrative contingency fund, who shall administer
11 such funds in accordance with the directions of the commissioner and
12 shall issue his or her warrants upon them in accordance with such
13 regulations as the commissioner shall prescribe. ~~((He))~~ The treasurer
14 and custodian shall maintain within the unemployment compensation fund
15 three separate accounts as follows:

- 16 (1) a clearing account,
- 17 (2) an unemployment trust fund account, and
- 18 (3) a benefit account.

19 All moneys payable to the unemployment compensation fund, upon
20 receipt thereof by the commissioner, shall be forwarded to the
21 treasurer, who shall immediately deposit them in the clearing account.
22 Refunds payable pursuant to the provisions of this title from the
23 unemployment compensation fund may be paid from the clearing account
24 upon warrants issued by the treasurer under the direction of the
25 commissioner: PROVIDED, HOWEVER, That refunds of interest or penalties
26 on delinquent contributions shall be paid from the administrative
27 contingency fund upon warrants issued by the treasurer under the
28 direction of the commissioner.

29 After clearance thereof, all other moneys in the clearing account
30 shall be immediately deposited with the Secretary of the Treasury of
31 the United States to the credit of the account of this state in the
32 unemployment trust fund, established and maintained pursuant to section
33 904 of the social security act, as amended, any provisions of law in
34 this state relating to the deposit, administration, release, or
35 disbursement of moneys in the possession or custody of this state to
36 the contrary notwithstanding.

37 The benefit account shall consist of all moneys requisitioned from
38 this state's account in the unemployment trust fund. Moneys in the

1 clearing and benefit accounts and in the administrative contingency
2 fund shall not be commingled with other state funds, but shall be
3 deposited by the treasurer, under the direction of the commissioner, in
4 any bank or public depository in which general funds of the state may
5 be deposited, but no public deposit insurance charge or premium shall
6 be paid out of the fund.

7 Such moneys shall be secured by said bank or public depository to
8 the same extent and in the same manner as required by the general
9 depository law of the state and collateral pledged shall be maintained
10 in a separate custody account.

11 The treasurer shall give a bond conditioned upon the faithful
12 performance of his or her duties as a custodian of the funds in an
13 amount fixed by the director of the department of general
14 administration and in a form prescribed by law or approved by the
15 attorney general. Premiums for said bond shall be paid from the
16 administration fund. All sums recovered on official bonds for losses
17 sustained by the unemployment compensation fund shall be deposited in
18 such fund. All sums recovered on official bonds for losses sustained
19 by the administrative contingency fund shall be deposited in such fund.

20 **Sec. 12.** RCW 50.16.020 and 1993 c s 11 (section 11 of this
21 act) are each amended to read as follows:

22 The commissioner shall designate a treasurer and custodian of the
23 unemployment compensation fund(~~(, the employment and training trust~~
24 ~~fund,)) and of the administrative contingency fund, who shall
25 administer such funds in accordance with the directions of the
26 commissioner and shall issue his or her warrants upon them in
27 accordance with such regulations as the commissioner shall prescribe.
28 The treasurer and custodian shall maintain within the unemployment
29 compensation fund three separate accounts as follows:~~

- 30 (1) a clearing account,
- 31 (2) an unemployment trust fund account, and
- 32 (3) a benefit account.

33 All moneys payable to the unemployment compensation fund, upon
34 receipt thereof by the commissioner, shall be forwarded to the
35 treasurer, who shall immediately deposit them in the clearing account.
36 Refunds payable pursuant to the provisions of this title from the
37 unemployment compensation fund may be paid from the clearing account
38 upon warrants issued by the treasurer under the direction of the

1 commissioner: PROVIDED, HOWEVER, That refunds of interest or penalties
2 on delinquent contributions shall be paid from the administrative
3 contingency fund upon warrants issued by the treasurer under the
4 direction of the commissioner.

5 After clearance thereof, all other moneys in the clearing account
6 shall be immediately deposited with the Secretary of the Treasury of
7 the United States to the credit of the account of this state in the
8 unemployment trust fund, established and maintained pursuant to section
9 904 of the social security act, as amended, any provisions of law in
10 this state relating to the deposit, administration, release, or
11 disbursement of moneys in the possession or custody of this state to
12 the contrary notwithstanding.

13 The benefit account shall consist of all moneys requisitioned from
14 this state's account in the unemployment trust fund. Moneys in the
15 clearing and benefit accounts and in the administrative contingency
16 fund shall not be commingled with other state funds, but shall be
17 deposited by the treasurer, under the direction of the commissioner, in
18 any bank or public depository in which general funds of the state may
19 be deposited, but no public deposit insurance charge or premium shall
20 be paid out of the fund.

21 Such moneys shall be secured by said bank or public depository to
22 the same extent and in the same manner as required by the general
23 depository law of the state and collateral pledged shall be maintained
24 in a separate custody account.

25 The treasurer shall give a bond conditioned upon the faithful
26 performance of his or her duties as a custodian of the funds in an
27 amount fixed by the director of the department of general
28 administration and in a form prescribed by law or approved by the
29 attorney general. Premiums for said bond shall be paid from the
30 administration fund. All sums recovered on official bonds for losses
31 sustained by the unemployment compensation fund shall be deposited in
32 such fund. All sums recovered on official bonds for losses sustained
33 by the administrative contingency fund shall be deposited in such fund.

34 **Sec. 13.** RCW 50.29.025 and 1990 c 245 s 7 are each amended to read
35 as follows:

36 The contribution rate for each employer shall be determined under
37 this section.

1 (1) A fund balance ratio shall be determined by dividing the
2 balance in the unemployment compensation fund as of the June 30th
3 immediately preceding the rate year by the total remuneration paid by
4 all employers subject to contributions during the second calendar year
5 preceding the rate year and reported to the department by the following
6 March 31st. The division shall be carried to the fourth decimal place
7 with the remaining fraction, if any, disregarded. The fund balance
8 ratio shall be expressed as a percentage.

9 (2) The interval of the fund balance ratio, expressed as a
10 percentage, shall determine which tax schedule in subsection (5) of
11 this section shall be in effect for assigning tax rates for the rate
12 year. The intervals for determining the effective tax schedule shall
13 be:

14	Interval of the	
15	Fund Balance Ratio	Effective
16	Expressed as a Percentage	Tax Schedule
17	3.40 and above	A
18	2.90 to 3.39	B
19	2.40 to 2.89	C
20	1.90 to 2.39	D
21	1.40 to 1.89	E
22	Less than 1.40	F

23 (3) An array shall be prepared, listing all qualified employers in
24 ascending order of their benefit ratios. The array shall show for each
25 qualified employer: (a) Identification number; (b) benefit ratio; (c)
26 taxable payrolls for the four calendar quarters immediately preceding
27 the computation date and reported to the department by the cut-off
28 date; (d) a cumulative total of taxable payrolls consisting of the
29 employer's taxable payroll plus the taxable payrolls of all other
30 employers preceding him or her in the array; and (e) the percentage
31 equivalent of the cumulative total of taxable payrolls.

32 (4) Each employer in the array shall be assigned to one of twenty
33 rate classes according to the percentage intervals of cumulative
34 taxable payrolls set forth in subsection (5) of this section:
35 PROVIDED, That if an employer's taxable payroll falls within two or
36 more rate classes, the employer and any other employer with the same

1 benefit ratio shall be assigned to the lowest rate class which includes
 2 any portion of the employer's taxable payroll.

3 (5) The contribution rate for each employer in the array shall be
 4 the rate specified in the following tables for the rate class to which
 5 he or she has been assigned, as determined under subsection (4) of this
 6 section, within the tax schedule which is to be in effect during the
 7 rate year:

8 Percent of		9 Schedule((s)) of Contribution((s)) Rates							
10 Taxable Payrolls		11 for Effective Tax Schedule							
		12 Rate							
12 From	To	Class	A	B	C	D	E	F	
13 ((0.00	5.00	1	0.48	0.58	0.98	1.48	1.88	2.48	
14 -5.01	10.00	2	0.48	0.78	1.18	1.68	2.08	2.68	
15 10.01	15.00	3	0.58	0.98	1.38	1.78	2.28	2.88	
16 15.01	20.00	4	0.78	1.18	1.58	1.98	2.48	3.08	
17 20.01	25.00	5	0.98	1.38	1.78	2.18	2.68	3.18	
18 25.01	30.00	6	1.18	1.58	1.98	2.38	2.78	3.28	
19 30.01	35.00	7	1.38	1.78	2.18	2.58	2.98	3.38	
20 35.01	40.00	8	1.58	1.98	2.38	2.78	3.18	3.58	
21 40.01	45.00	9	1.78	2.18	2.58	2.98	3.38	3.78	
22 45.01	50.00	10	1.98	2.38	2.78	3.18	3.58	3.98	
23 50.01	55.00	11	2.28	2.58	2.98	3.38	3.78	4.08	
24 55.01	60.00	12	2.48	2.78	3.18	3.58	3.98	4.28	
25 60.01	65.00	13	2.68	2.98	3.38	3.78	4.18	4.48	
26 65.01	70.00	14	2.88	3.18	3.58	3.98	4.38	4.68	
27 70.01	75.00	15	3.08	3.38	3.78	4.18	4.58	4.78	
28 75.01	80.00	16	3.28	3.58	3.98	4.38	4.68	4.88	
29 80.01	85.00	17	3.48	3.78	4.18	4.58	4.88	4.98	
30 85.01	90.00	18	3.88	4.18	4.58	4.88	4.98	5.18	
31 90.01	95.00	19	4.28	4.58	4.98	5.08	5.18	5.38	
32 95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40))	
33 <u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.36</u>	<u>0.46</u>	<u>0.86</u>	<u>1.36</u>	<u>1.76</u>	<u>2.36</u>	
34 <u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.36</u>	<u>0.66</u>	<u>1.06</u>	<u>1.56</u>	<u>1.96</u>	<u>2.56</u>	
35 <u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.46</u>	<u>0.86</u>	<u>1.26</u>	<u>1.66</u>	<u>2.16</u>	<u>2.76</u>	
36 <u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.66</u>	<u>1.06</u>	<u>1.46</u>	<u>1.86</u>	<u>2.36</u>	<u>2.96</u>	

1	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.86</u>	<u>1.26</u>	<u>1.66</u>	<u>2.06</u>	<u>2.56</u>	<u>3.06</u>
2	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>1.06</u>	<u>1.46</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.16</u>
3	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>1.26</u>	<u>1.66</u>	<u>2.06</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>
4	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.46</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>
5	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.66</u>	<u>2.06</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>
6	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>
7	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>2.16</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>	<u>3.96</u>
8	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>2.36</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>	<u>4.16</u>
9	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.56</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>	<u>4.06</u>	<u>4.36</u>
10	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.76</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>	<u>4.26</u>	<u>4.56</u>
11	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.96</u>	<u>3.26</u>	<u>3.66</u>	<u>4.06</u>	<u>4.46</u>	<u>4.66</u>
12	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>3.16</u>	<u>3.46</u>	<u>3.86</u>	<u>4.26</u>	<u>4.56</u>	<u>4.76</u>
13	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.36</u>	<u>3.66</u>	<u>4.06</u>	<u>4.46</u>	<u>4.76</u>	<u>4.86</u>
14	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.76</u>	<u>4.06</u>	<u>4.46</u>	<u>4.76</u>	<u>4.86</u>	<u>5.06</u>
15	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>4.16</u>	<u>4.46</u>	<u>4.86</u>	<u>4.96</u>	<u>5.06</u>	<u>5.26</u>
16	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>

17 (6) The contribution rate for each employer not qualified to be in
18 the array shall be as follows:

19 (a) Employers who do not meet the definition of "qualified
20 employer" by reason of failure to pay contributions when due shall be
21 assigned the contribution rate of five and four-tenths percent, except
22 employers who have an approved agency-deferred payment contract by
23 September 30 of the previous rate year. If any employer with an
24 approved agency-deferred payment contract fails to make any one of the
25 succeeding deferred payments or fails to submit any succeeding tax
26 report and payment in a timely manner, the employer's tax rate shall
27 immediately revert to five and four-tenths percent for the current rate
28 year;

29 (b) The contribution rate for employers exempt as of December 31,
30 1989, who are newly covered under the section 78, chapter 380, Laws of
31 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
32 array shall be 2.5 percent for employers whose standard industrial code
33 is "013", "016", "017", "018", "019", "021", or "081"; and

34 (c) For all other employers not qualified to be in the array, the
35 contribution rate shall be a rate equal to the average industry rate as
36 determined by the commissioner; however, the rate may not be less than
37 one percent. Assignment of employers by the commissioner to industrial
38 classification, for purposes of this subsection, shall be in accordance

1 with established classification practices found in the "Standard
2 Industrial Classification Manual" issued by the federal office of
3 management and budget to the third digit provided in the Standard
4 Industrial Classification code.

5 **Sec. 14.** RCW 50.29.025 and 1993 c s 13 (section 13 of this
6 act) are each amended to read as follows:

7 The contribution rate for each employer shall be determined under
8 this section.

9 (1) A fund balance ratio shall be determined by dividing the
10 balance in the unemployment compensation fund as of the June 30th
11 immediately preceding the rate year by the total remuneration paid by
12 all employers subject to contributions during the second calendar year
13 preceding the rate year and reported to the department by the following
14 March 31st. The division shall be carried to the fourth decimal place
15 with the remaining fraction, if any, disregarded. The fund balance
16 ratio shall be expressed as a percentage.

17 (2) The interval of the fund balance ratio, expressed as a
18 percentage, shall determine which tax schedule in subsection (5) of
19 this section shall be in effect for assigning tax rates for the rate
20 year. The intervals for determining the effective tax schedule shall
21 be:

22	Interval of the	
23	Fund Balance Ratio	Effective
24	Expressed as a Percentage	Tax Schedule
25	3.40 and above	A
26	2.90 to 3.39	B
27	2.40 to 2.89	C
28	1.90 to 2.39	D
29	1.40 to 1.89	E
30	Less than 1.40	F

31 (3) An array shall be prepared, listing all qualified employers in
32 ascending order of their benefit ratios. The array shall show for each
33 qualified employer: (a) Identification number; (b) benefit ratio; (c)
34 taxable payrolls for the four calendar quarters immediately preceding
35 the computation date and reported to the department by the cut-off

1 date; (d) a cumulative total of taxable payrolls consisting of the
 2 employer's taxable payroll plus the taxable payrolls of all other
 3 employers preceding him or her in the array; and (e) the percentage
 4 equivalent of the cumulative total of taxable payrolls.

5 (4) Each employer in the array shall be assigned to one of twenty
 6 rate classes according to the percentage intervals of cumulative
 7 taxable payrolls set forth in subsection (5) of this section:
 8 PROVIDED, That if an employer's taxable payroll falls within two or
 9 more rate classes, the employer and any other employer with the same
 10 benefit ratio shall be assigned to the lowest rate class which includes
 11 any portion of the employer's taxable payroll.

12 (5) The contribution rate for each employer in the array shall be
 13 the rate specified in the following tables for the rate class to which
 14 he or she has been assigned, as determined under subsection (4) of this
 15 section, within the tax schedule which is to be in effect during the
 16 rate year:

Percent of Cumulative Taxable Payrolls			Schedules of Contributions Rates for Effective Tax Schedule						
From	To	Rate Class	A	B	C	D	E	F	
0.00	5.00	1	0.36	0.46	0.86	1.36	1.78	2.36	
5.01	10.00	2	0.36	0.66	1.06	1.56	1.96	2.56	
10.01	15.00	3	0.46	0.86	1.26	1.66	2.16	2.76	
15.01	20.00	4	0.66	1.06	1.46	1.86	2.36	2.96	
20.01	25.00	5	0.86	1.26	1.66	2.06	2.56	3.06	
25.01	30.00	6	1.06	1.46	1.86	2.26	2.66	3.16	
30.01	35.00	7	1.26	1.66	2.06	2.46	2.86	3.26	
35.01	40.00	8	1.46	1.86	2.26	2.66	3.06	3.46	
40.01	45.00	9	1.66	2.06	2.46	2.86	3.26	3.66	
45.01	50.00	10	1.86	2.26	2.66	3.06	3.46	3.86	
50.01	55.00	11	2.16	2.46	2.86	3.26	3.66	3.96	
55.01	60.00	12	2.36	2.66	3.06	3.46	3.86	4.16	
60.01	65.00	13	2.56	2.86	3.26	3.66	4.06	4.36	
65.01	70.00	14	2.76	3.06	3.46	3.86	4.26	4.56	
70.01	75.00	15	2.96	3.26	3.66	4.06	4.46	4.66	
75.01	80.00	16	3.16	3.46	3.86	4.26	4.56	4.76	

1	80.01	85.00	17	3.36	3.66	4.06	4.46	4.76	4.86
2	85.01	90.00	18	3.76	4.06	4.46	4.76	4.86	5.06
3	90.01	95.00	19	4.16	4.46	4.86	4.96	5.06	5.26
4	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40))
5	0.00	5.00	1	0.48	0.58	0.98	1.48	1.88	2.48
6	5.01	10.00	2	0.48	0.78	1.18	1.68	2.08	2.68
7	10.01	15.00	3	0.58	0.98	1.38	1.78	2.28	2.88
8	15.01	20.00	4	0.78	1.18	1.58	1.98	2.48	3.08
9	20.01	25.00	5	0.98	1.38	1.78	2.18	2.68	3.18
10	25.01	30.00	6	1.18	1.58	1.98	2.38	2.78	3.28
11	30.01	35.00	7	1.38	1.78	2.18	2.58	2.98	3.38
12	35.01	40.00	8	1.58	1.98	2.38	2.78	3.18	3.58
13	40.01	45.00	9	1.78	2.18	2.58	2.98	3.38	3.78
14	45.01	50.00	10	1.98	2.38	2.78	3.18	3.58	3.98
15	50.01	55.00	11	2.28	2.58	2.98	3.38	3.78	4.08
16	55.01	60.00	12	2.48	2.78	3.18	3.58	3.98	4.28
17	60.01	65.00	13	2.68	2.98	3.38	3.78	4.18	4.48
18	65.01	70.00	14	2.88	3.18	3.58	3.98	4.38	4.68
19	70.01	75.00	15	3.08	3.38	3.78	4.18	4.58	4.78
20	75.01	80.00	16	3.28	3.58	3.98	4.38	4.68	4.88
21	80.01	85.00	17	3.48	3.78	4.18	4.58	4.88	4.98
22	85.01	90.00	18	3.88	4.18	4.58	4.88	4.98	5.18
23	90.01	95.00	19	4.28	4.58	4.98	5.08	5.18	5.38
24	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40

25 (6) The contribution rate for each employer not qualified to be in
 26 the array shall be as follows:

27 (a) Employers who do not meet the definition of "qualified
 28 employer" by reason of failure to pay contributions when due shall be
 29 assigned the contribution rate of five and four-tenths percent, except
 30 employers who have an approved agency-deferred payment contract by
 31 September 30 of the previous rate year. If any employer with an
 32 approved agency-deferred payment contract fails to make any one of the
 33 succeeding deferred payments or fails to submit any succeeding tax
 34 report and payment in a timely manner, the employer's tax rate shall
 35 immediately revert to five and four-tenths percent for the current rate
 36 year;

37 (b) The contribution rate for employers exempt as of December 31,
 38 1989, who are newly covered under the section 78, chapter 380, Laws of

1 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
2 array shall be 2.5 percent for employers whose standard industrial code
3 is "013", "016", "017", "018", "019", "021", or "081"; and

4 (c) For all other employers not qualified to be in the array, the
5 contribution rate shall be a rate equal to the average industry rate as
6 determined by the commissioner; however, the rate may not be less than
7 one percent. Assignment of employers by the commissioner to industrial
8 classification, for purposes of this subsection, shall be in accordance
9 with established classification practices found in the "Standard
10 Industrial Classification Manual" issued by the federal office of
11 management and budget to the third digit provided in the Standard
12 Industrial Classification code.

13 NEW SECTION. **Sec. 15.** A new section is added to chapter 50.29
14 RCW to read as follows:

15 For the purpose of simplification of employer reports, the
16 "combined contribution rate" shall be used in the calculation of
17 employer taxes. The combined contribution rate shall include the
18 regular contribution rate as determined under RCW 50.29.025, employment
19 and training trust fund contributions as determined under section 3 of
20 this act, and special contributions required under RCW 50.24.014. A
21 mention of the "combined contribution rate" may not be made on a tax
22 form or publication unless the form or publication specifically
23 identifies the specific contributions. The combined contribution rate
24 may not be quoted on a form unless the specific component rates are
25 also quoted. The sole purpose of the combined contribution rate is to
26 allow an employer to perform a single calculation on a tax return
27 rather than four separate calculations.

28 NEW SECTION. **Sec. 16.** Prior to any increase in the employer tax
29 schedule as provided in section 13, chapter . . . , Laws of 1993 (section
30 13 of this act), the commissioner shall provide a report to the
31 appropriate committees of the legislature specifying to what extent the
32 work force training expenditures in chapter . . . , Laws of 1993 (this
33 act) elevated employer contribution rates for the effective tax
34 schedule.

35 NEW SECTION. **Sec. 17.** (1) The employment security department
36 shall report to the appropriate committees of the legislature by

1 December 1, 1994, and every year thereafter, on the status of the
2 programs provided in this act and the resulting outcomes. The
3 department shall include in its report quantitative and demographic
4 information on the increase in job orders, placement referrals,
5 individualized training plans, skill assessments, and other
6 interventions achieved. The department also shall include in its
7 report the number of repeat clients as a percentage of all clients
8 served by programs provided in chapter . . . , Laws of 1993 (this act).

9 (2) The state board for community and technical colleges shall
10 report to the appropriate standing committees of the legislature by
11 December 1, 1994, and every year thereafter, the number of certified
12 student full-time equivalents receiving training as provided in this
13 act. In addition, the report must include information on the outcomes
14 of the provided training. The report also must include indices of
15 placement rates, student demographics, training plan completion rates,
16 and comparisons of preprogram and postprogram wage levels.

17 (3) Each community and technical college shall confer and consult
18 with its respective labor-management advisory board concerning the
19 college's efforts to provide the training and services rendered in
20 chapter . . . , Laws of 1993 (this act) and meet the completion and
21 placement goals of the work force training and education coordinating
22 board. Each community and technical college shall ensure the
23 participation on its labor-management advisory board of small
24 businesses as defined in RCW 43.31.025, with particular emphasis on
25 businesses with fifteen or fewer employees.

26 (4) The work force training and education coordinating board shall
27 conduct a study in consultation with the higher education coordinating
28 board on the feasibility of: (a) Redirecting all state and federal job
29 training and retraining funds distributed in the state into a separate
30 job training trust fund; and (b) distributing the funds according to
31 uniform criteria. The work force training and education coordinating
32 board shall report to the appropriate committees of the legislature on
33 the results of the study by January 1, 1995.

34 NEW SECTION. **Sec. 18.** A new section is added to chapter 43.131
35 RCW to read as follows:

36 The work force employment and training program created in chapter
37 . . . , Laws of 1993 (this act) shall expire June 30, 1998.

1 NEW SECTION. **Sec. 19.** A new section is added to chapter 43.131
2 RCW to read as follows:

3 The following acts or parts of acts are each repealed, effective
4 June 30, 1999:

5 (1) Section 1 of this act;

6 (2) Section 2 of this act;

7 (3) Section 3 of this act;

8 (4) Section 4 of this act;

9 (5) Section 5 of this act;

10 (6) Section 6 of this act;

11 (7) Section 8 of this act;

12 (8) Section 15 of this act; and

13 (9) Section 17 of this act.

14 NEW SECTION. **Sec. 20.** (1) Sections 10 and 12 of this act shall
15 take effect June 30, 1999;

16 (2) Section 14 of this act shall take effect January 1, 1998.

17 NEW SECTION. **Sec. 21.** If any part of this act is found to be in
18 conflict with federal requirements that are a prescribed condition to
19 the allocation of federal funds to the state or the eligibility of
20 employers in this state for federal unemployment tax credits, the
21 conflicting part of this act is hereby declared to be inoperative
22 solely to the extent of the conflict, and such finding or determination
23 shall not affect the operation of the remainder of this act. The rules
24 under this act shall meet federal requirements that are a necessary
25 condition to the receipt of federal funds by the state or the granting
26 of federal unemployment tax credits to employers in this state.

27 NEW SECTION. **Sec. 22.** If any provision of this act or its
28 application to any person or circumstance is held invalid, the
29 remainder of the act or the application of the provision to other
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 23.** This act applies to tax rate years
32 beginning with tax rate year 1994."

1 **ESHB 1988** - S AMD

2 By Senators Skratek, Bluechel and Rinehart

3 ADOPTED 4/19/93

4 On page 1, line 1 of the title after "training;" strike the
5 remainder of the title and insert "amending RCW 50.16.010, 50.16.010,
6 50.16.020, 50.16.020, 50.29.025, and 50.29.025; adding a new section to
7 chapter 50.24 RCW; adding new sections to chapter 50.16 RCW; adding a
8 new section to chapter 50.29 RCW; adding new sections to chapter 43.131
9 RCW; creating new sections; and providing effective dates."

--- END ---