
ENGROSSED SUBSTITUTE HOUSE BILL 1988

State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Trade, Economic Development & Housing (originally sponsored by Representatives Sheldon, Forner, Wineberry, Wood, Shin, Jones, Peery, Roland, Flemming, Quall, Springer, Conway, Morris, Valle, Dorn, Campbell, Linville, Karahalios, Eide, J. Kohl, H. Myers, Kessler, Holm, Wang, Wolfe, Anderson, Appelwick, Orr, Ogden, G. Cole, Scott, Lemmon, Leonard, Locke, R. Fisher, L. Johnson, Rayburn, Pruitt and Patterson)

Read first time 03/03/93.

1 AN ACT Relating to employment and training; amending RCW 50.16.010,
2 50.16.010, 50.16.020, 50.16.020, 50.29.025, and 50.29.025; adding a new
3 section to chapter 50.24 RCW; adding new sections to chapter 50.16 RCW;
4 adding a new section to chapter 50.29 RCW; adding new sections to
5 chapter 43.131 RCW; creating new sections; making appropriations; and
6 providing effective dates.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** The legislature finds that:

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

16 (2) The legislature further finds that too many Washington workers
17 are unemployed, many of whom need new or enhanced work force skills in
18 order to meet current demand in the labor market. With the increasing
19 pace of economic change, employees must become life-long learners who

1 periodically obtain additional education and training. The state
2 should provide unemployed workers a variety of effective services,
3 including timely payment of unemployment benefits, job and career
4 counseling, job referral services, and training.

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

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

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 50.24 RCW
13 to read as follows:

14 Employment and training trust fund contributions to the employment
15 and training trust fund shall accrue and become payable by each
16 employer, except employers as described in RCW 50.44.010 and 50.44.030
17 who have properly elected to make payments in lieu of contributions,
18 taxable local government employers as described in RCW 50.44.035, those
19 employers who are required to make payments in lieu of contributions,
20 and those qualified employers assigned rate class 20 under RCW
21 50.29.025 at the rate of twelve one-hundredths of one percent for rate
22 years 1994, 1995, 1996, and 1997. The amount of wages subject to tax
23 shall be determined under RCW 50.24.010.

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

26 There is hereby established the employment and training trust fund.
27 All moneys in this fund are irrevocably vested for the administration
28 of this title. The employment and training trust fund shall consist of
29 all moneys from employment and training trust fund contributions as
30 established in section 2 of this act. The treasurer of the employment
31 security department shall deposit, administer, and disburse all moneys
32 in the fund under rules adopted by the commissioner and RCW 43.01.050
33 and 43.84.092 are not applicable to this fund. The treasurer of the
34 employment security department shall be the treasurer of the employment
35 and training trust fund as described in RCW 50.16.020 and shall give a
36 bond conditioned upon the faithful performance of his or her duties in
37 connection with the fund. All sums recovered on the official bond for

1 losses sustained by the employment and training trust fund must be
2 deposited in the fund. Notwithstanding any provision of this section,
3 all moneys received and deposited in the fund under chapter . . . , Laws
4 of 1993 (this act), remain part of the employment and training trust
5 fund and may be used solely for the following purposes:

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

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

13 (3) Obtaining labor market information necessary for the
14 administration of the unemployment insurance program and to assist
15 unemployed workers in finding employment;

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 seven community and technical college campuses across
26 the state.

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

29 To be eligible for the community and technical college training
30 enrollment provided in chapter . . . , Laws of 1993 (this act), an
31 individual must be certified by the commissioner of employment security
32 that the individual is eligible under section 6(1)(b) of this act and
33 applies for such certification within the first four months of
34 receiving his or her initial unemployment insurance benefits payment.

35 An individual may be eligible for applicable employment security
36 benefits while participating in work force training. Eligibility is at
37 the discretion of the commissioner of employment security after

1 submitting a commissioner-approved training waiver and developing a
2 detailed individualized training plan.

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

5 The commissioner shall adopt rules as necessary to implement this
6 section.

7 NEW SECTION. **Sec. 5.** Aerospace workers unemployed as the result
8 of downsizing and restructuring of the aerospace industry will be
9 deemed to be dislocated workers for the purpose of commissioner
10 approval of training under RCW 50.20.043.

11 NEW SECTION. **Sec. 6.** (1) The treasurer of the employment security
12 department shall disburse the amounts appropriated by section 15,
13 chapter . . . , Laws of 1993 (section 15 of this act) to the state board
14 for community and technical colleges. These funds shall be allotted
15 for, and only for, training programs and related support services,
16 including financial aid, in the community and technical college system
17 that:

18 (a) Are consistent with work force training priorities and based
19 upon the comprehensive plan for work force training developed by the
20 work force training and education coordinating board. The state board
21 for community and technical colleges shall develop a plan for use and
22 evaluation of these funds which is to be approved by the work force
23 training and education coordinating board for consistency with their
24 work force priorities. Further, the state board for community and
25 technical colleges shall report to the work force training and
26 education coordinating board and the legislature annually on the
27 progress and results of the training and support services provided to
28 eligible participants;

29 (b) Provide increased enrollments for individuals who have been
30 terminated or have received a notice of termination from employment,
31 and who are eligible for or have exhausted their entitlement to
32 unemployment compensation benefits within the previous twenty-four
33 months, with first priority given to individuals who are unlikely to
34 return to employment in the individuals' principal occupation or
35 previous industry because of a diminishing demand for their skills in
36 that occupation or industry; and

1 (c) Provide increased enrollments and support services, including
2 financial aid, that do not replace or supplant any existing
3 enrollments, programs, support services, or funding sources. For
4 fiscal year 1994, the state board for community and technical colleges
5 may borrow from the general fund to initiate the programs authorized
6 under this act. However, the board shall repay the borrowed amount by
7 the end of the fiscal biennium from funds appropriated to it from the
8 employment and training trust fund.

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

23 (3) First priority for receipt of financial aid funds provided
24 through chapter . . ., Laws of 1993 (this act) shall be given to those
25 eligible individuals who are needy students as defined in RCW
26 28B.10.802(3) and who are attending technical colleges.

27 **Sec. 7.** RCW 50.16.010 and 1991 sp.s. c 13 s 59 are each amended to
28 read as follows:

29 There shall be maintained as special funds, separate and apart from
30 all public moneys or funds of this state an unemployment compensation
31 fund, an administrative contingency fund, an employment and training
32 trust fund, and a federal interest payment fund, which shall be
33 administered by the commissioner exclusively for the purposes of this
34 title, and to which RCW 43.01.050 and 43.84.092 shall not be
35 applicable.

36 (1) The unemployment compensation fund shall consist of
37 ((+1)) (a) all contributions and payments in lieu of contributions
38 collected pursuant to the provisions of this title,

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

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

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

7 ~~((5))~~ (e) all money recovered on official bonds for losses
8 sustained by the fund,

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

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

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

16 All moneys in the unemployment compensation fund shall be
17 commingled and undivided.

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

19 (i) All interest on delinquent contributions collected pursuant to
20 this title~~((7))~~i

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

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

25 (iv) Revenue received under RCW 50.24.014:

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

30 (b) Moneys available in the administrative contingency fund, other
31 than money in the special account created under RCW 50.24.014, shall be
32 expended upon the direction of the commissioner, with the approval of
33 the governor, whenever it appears to him or her that such expenditure
34 is necessary for:

35 ~~((a))~~ (i) The proper administration of this title and no federal
36 funds are available for the specific purpose to which such expenditure
37 is to be made, provided, the moneys are not substituted for
38 appropriations from federal funds which, in the absence of such moneys,
39 would be made available.

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

5 Money in the special account created under RCW 50.24.014 may only
6 be expended, after appropriation, for the purposes specified in RCW
7 (~~(74.09.035, 74.09.510, 74.09.520, and 74.09.700)~~) 50.62.010,
8 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025,
9 50.24.014, 50.44.053, and 50.22.010.

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

13 **Sec. 8.** RCW 50.16.010 and 1993 c s 7 (section 7 of this act)
14 are each amended to read as follows:

15 There shall be maintained as special funds, separate and apart from
16 all public moneys or funds of this state an unemployment compensation
17 fund, an administrative contingency fund, (~~(an employment and training~~
18 ~~trust fund,)~~) and a federal interest payment fund, which shall be
19 administered by the commissioner exclusively for the purposes of this
20 title, and to which RCW 43.01.050 (~~(and 43.84.092)~~) shall not be
21 applicable.

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

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

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

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

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

31 (~~(e)~~) (5) all money recovered on official bonds for losses
32 sustained by the fund,

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

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

1 ~~((h))~~ (8) all moneys received for the fund from any other source.
2 All moneys in the unemployment compensation fund shall be
3 commingled and undivided.

4 ~~((2)(a))~~ The administrative contingency fund shall consist of~~((+~~
5 ~~(i))~~ all interest on delinquent contributions collected pursuant
6 to this title~~((+~~
7 ~~(ii))~~), all fines and penalties collected pursuant to the
8 provisions of this title~~((+~~
9 ~~(iii))~~), all sums recovered on official bonds for losses sustained
10 by the fund~~((+))~~ and

11 ~~((iv))~~ revenue received under RCW 50.24.014:

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

16 ~~((b))~~ Moneys available in the administrative contingency fund,
17 other than money in the special account created under RCW 50.24.014,
18 shall be expended upon the direction of the commissioner, with the
19 approval of the governor, whenever it appears to him or her that such
20 expenditure is necessary for:

21 ~~((i))~~ (a) The proper administration of this title and no federal
22 funds are available for the specific purpose to which such expenditure
23 is to be made, provided, the moneys are not substituted for
24 appropriations from federal funds which, in the absence of such moneys,
25 would be made available.

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

30 Money in the special account created under RCW 50.24.014 may only
31 be expended, after appropriation, for the purposes specified in RCW
32 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
33 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

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

37 **Sec. 9.** RCW 50.16.020 and 1983 1st ex.s. c 23 s 10 are each
38 amended to read as follows:

1 The commissioner shall designate a treasurer and custodian of the
2 unemployment compensation fund, the employment and training trust fund,
3 and ((ef)) the administrative contingency fund, who shall administer
4 such funds in accordance with the directions of the commissioner and
5 shall issue his or her warrants upon them in accordance with such
6 regulations as the commissioner shall prescribe. ((He)) The treasurer
7 and custodian shall maintain within the unemployment compensation fund
8 three separate accounts as follows:

9 (1) a clearing account,

10 (2) an unemployment trust fund account, and

11 (3) a benefit account.

12 All moneys payable to the unemployment compensation fund, upon
13 receipt thereof by the commissioner, shall be forwarded to the
14 treasurer, who shall immediately deposit them in the clearing account.
15 Refunds payable pursuant to the provisions of this title from the
16 unemployment compensation fund may be paid from the clearing account
17 upon warrants issued by the treasurer under the direction of the
18 commissioner: PROVIDED, HOWEVER, That refunds of interest or penalties
19 on delinquent contributions shall be paid from the administrative
20 contingency fund upon warrants issued by the treasurer under the
21 direction of the commissioner.

22 After clearance thereof, all other moneys in the clearing account
23 shall be immediately deposited with the Secretary of the Treasury of
24 the United States to the credit of the account of this state in the
25 unemployment trust fund, established and maintained pursuant to section
26 904 of the social security act, as amended, any provisions of law in
27 this state relating to the deposit, administration, release, or
28 disbursement of moneys in the possession or custody of this state to
29 the contrary notwithstanding.

30 The benefit account shall consist of all moneys requisitioned from
31 this state's account in the unemployment trust fund. Moneys in the
32 clearing and benefit accounts and in the administrative contingency
33 fund shall not be commingled with other state funds, but shall be
34 deposited by the treasurer, under the direction of the commissioner, in
35 any bank or public depository in which general funds of the state may
36 be deposited, but no public deposit insurance charge or premium shall
37 be paid out of the fund.

38 Such moneys shall be secured by said bank or public depository to
39 the same extent and in the same manner as required by the general

1 depository law of the state and collateral pledged shall be maintained
2 in a separate custody account.

3 The treasurer shall give a bond conditioned upon the faithful
4 performance of his or her duties as a custodian of the funds in an
5 amount fixed by the director of the department of general
6 administration and in a form prescribed by law or approved by the
7 attorney general. Premiums for said bond shall be paid from the
8 administration fund. All sums recovered on official bonds for losses
9 sustained by the unemployment compensation fund shall be deposited in
10 such fund. All sums recovered on official bonds for losses sustained
11 by the administrative contingency fund shall be deposited in such fund.

12 **Sec. 10.** RCW 50.16.020 and 1993 c s 9 (section 9 of this act)
13 are each amended to read as follows:

14 The commissioner shall designate a treasurer and custodian of the
15 unemployment compensation fund(~~(, the employment and training trust~~
16 ~~fund,)) and of the administrative contingency fund, who shall
17 administer such funds in accordance with the directions of the
18 commissioner and shall issue his or her warrants upon them in
19 accordance with such regulations as the commissioner shall prescribe.
20 The treasurer and custodian shall maintain within the unemployment
21 compensation fund three separate accounts as follows:~~

- 22 (1) a clearing account,
- 23 (2) an unemployment trust fund account, and
- 24 (3) a benefit account.

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

35 After clearance thereof, all other moneys in the clearing account
36 shall be immediately deposited with the Secretary of the Treasury of
37 the United States to the credit of the account of this state in the
38 unemployment trust fund, established and maintained pursuant to section

1 904 of the social security act, as amended, any provisions of law in
2 this state relating to the deposit, administration, release, or
3 disbursement of moneys in the possession or custody of this state to
4 the contrary notwithstanding.

5 The benefit account shall consist of all moneys requisitioned from
6 this state's account in the unemployment trust fund. Moneys in the
7 clearing and benefit accounts and in the administrative contingency
8 fund shall not be commingled with other state funds, but shall be
9 deposited by the treasurer, under the direction of the commissioner, in
10 any bank or public depository in which general funds of the state may
11 be deposited, but no public deposit insurance charge or premium shall
12 be paid out of the fund.

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

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

26 **Sec. 11.** RCW 50.29.025 and 1990 c 245 s 7 are each amended to read
27 as follows:

28 The contribution rate for each employer shall be determined under
29 this section.

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

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

6	Interval of the	
7	Fund Balance Ratio	Effective
8	Expressed as a Percentage	Tax Schedule
9	3.40 and above	A
10	2.90 to 3.39	B
11	2.40 to 2.89	C
12	1.90 to 2.39	D
13	1.40 to 1.89	E
14	Less than 1.40	F

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

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

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

Percent of									
Cumulative									
Schedule((s)) of Contribution((s)) Rates									
Taxable Payrolls									
for Effective Tax Schedule									
			Rate						
From	To	Class	A	B	C	D	E	F	
((0.00	5.00	1	0.48	0.58	0.98	1.48	1.88	2.48	
5.01	10.00	2	0.48	0.78	1.18	1.68	2.08	2.68	
10.01	15.00	3	0.58	0.98	1.38	1.78	2.28	2.88	
15.01	20.00	4	0.78	1.18	1.58	1.98	2.48	3.08	
20.01	25.00	5	0.98	1.38	1.78	2.18	2.68	3.18	
25.01	30.00	6	1.18	1.58	1.98	2.38	2.78	3.28	
30.01	35.00	7	1.38	1.78	2.18	2.58	2.98	3.38	
35.01	40.00	8	1.58	1.98	2.38	2.78	3.18	3.58	
40.01	45.00	9	1.78	2.18	2.58	2.98	3.38	3.78	
45.01	50.00	10	1.98	2.38	2.78	3.18	3.58	3.98	
50.01	55.00	11	2.28	2.58	2.98	3.38	3.78	4.08	
55.01	60.00	12	2.48	2.78	3.18	3.58	3.98	4.28	
60.01	65.00	13	2.68	2.98	3.38	3.78	4.18	4.48	
65.01	70.00	14	2.88	3.18	3.58	3.98	4.38	4.68	
70.01	75.00	15	3.08	3.38	3.78	4.18	4.58	4.78	
75.01	80.00	16	3.28	3.58	3.98	4.38	4.68	4.88	
80.01	85.00	17	3.48	3.78	4.18	4.58	4.88	4.98	
85.01	90.00	18	3.88	4.18	4.58	4.88	4.98	5.18	
90.01	95.00	19	4.28	4.58	4.98	5.08	5.18	5.38	
95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40)
<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>	
<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>	
<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>	
<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>	
<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>	
<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>	
<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>	
<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>	
<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>	
<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>	
<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>	
<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>	

1	<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>
2	<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>
3	<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>
4	<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>
5	<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>
6	<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>
7	<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>
8	<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>

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

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

21 (b) The contribution rate for employers exempt as of December 31,
22 1989, who are newly covered under the section 78, chapter 380, Laws of
23 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
24 array shall be 2.5 percent for employers whose standard industrial code
25 is "013", "016", "017", "018", "019", "021", or "081"; and

26 (c) For all other employers not qualified to be in the array, the
27 contribution rate shall be a rate equal to the average industry rate as
28 determined by the commissioner; however, the rate may not be less than
29 one percent. Assignment of employers by the commissioner to industrial
30 classification, for purposes of this subsection, shall be in accordance
31 with established classification practices found in the "Standard
32 Industrial Classification Manual" issued by the federal office of
33 management and budget to the third digit provided in the Standard
34 Industrial Classification code.

35 **Sec. 12.** RCW 50.29.025 and 1993 c s 11 (section 11 of this
36 act) are each amended to read as follows:

1 The contribution rate for each employer shall be determined under
2 this section.

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

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

16	Interval of the	
17	Fund Balance Ratio	Effective
18	Expressed as a Percentage	Tax Schedule
19	3.40 and above	A
20	2.90 to 3.39	B
21	2.40 to 2.89	C
22	1.90 to 2.39	D
23	1.40 to 1.89	E
24	Less than 1.40	F

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

34 (4) Each employer in the array shall be assigned to one of twenty
35 rate classes according to the percentage intervals of cumulative
36 taxable payrolls set forth in subsection (5) of this section:

1 PROVIDED, That if an employer's taxable payroll falls within two or
 2 more rate classes, the employer and any other employer with the same
 3 benefit ratio shall be assigned to the lowest rate class which includes
 4 any portion of the employer's taxable payroll.

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

Percent of			Schedules of Contributions Rates						
Cumulative			for Effective Tax Schedule						
Taxable Payrolls			Rate						
From	To	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	
80.01	85.00	17	3.36	3.66	4.06	4.46	4.76	4.86	
85.01	90.00	18	3.76	4.06	4.46	4.76	4.86	5.06	
90.01	95.00	19	4.16	4.46	4.86	4.96	5.06	5.26	
95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40))	
<u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.48</u>	<u>0.58</u>	<u>0.98</u>	<u>1.48</u>	<u>1.88</u>	<u>2.48</u>	
<u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.48</u>	<u>0.78</u>	<u>1.18</u>	<u>1.68</u>	<u>2.08</u>	<u>2.68</u>	

1	<u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.58</u>	<u>0.98</u>	<u>1.38</u>	<u>1.78</u>	<u>2.28</u>	<u>2.88</u>
2	<u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.78</u>	<u>1.18</u>	<u>1.58</u>	<u>1.98</u>	<u>2.48</u>	<u>3.08</u>
3	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.98</u>	<u>1.38</u>	<u>1.78</u>	<u>2.18</u>	<u>2.68</u>	<u>3.18</u>
4	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>1.18</u>	<u>1.58</u>	<u>1.98</u>	<u>2.38</u>	<u>2.78</u>	<u>3.28</u>
5	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>1.38</u>	<u>1.78</u>	<u>2.18</u>	<u>2.58</u>	<u>2.98</u>	<u>3.38</u>
6	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.58</u>	<u>1.98</u>	<u>2.38</u>	<u>2.78</u>	<u>3.18</u>	<u>3.58</u>
7	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.78</u>	<u>2.18</u>	<u>2.58</u>	<u>2.98</u>	<u>3.38</u>	<u>3.78</u>
8	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.98</u>	<u>2.38</u>	<u>2.78</u>	<u>3.18</u>	<u>3.58</u>	<u>3.98</u>
9	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>2.28</u>	<u>2.58</u>	<u>2.98</u>	<u>3.38</u>	<u>3.78</u>	<u>4.08</u>
10	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>2.48</u>	<u>2.78</u>	<u>3.18</u>	<u>3.58</u>	<u>3.98</u>	<u>4.28</u>
11	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.68</u>	<u>2.98</u>	<u>3.38</u>	<u>3.78</u>	<u>4.18</u>	<u>4.48</u>
12	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.88</u>	<u>3.18</u>	<u>3.58</u>	<u>3.98</u>	<u>4.38</u>	<u>4.68</u>
13	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>3.08</u>	<u>3.38</u>	<u>3.78</u>	<u>4.18</u>	<u>4.58</u>	<u>4.78</u>
14	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>3.28</u>	<u>3.58</u>	<u>3.98</u>	<u>4.38</u>	<u>4.68</u>	<u>4.88</u>
15	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.48</u>	<u>3.78</u>	<u>4.18</u>	<u>4.58</u>	<u>4.88</u>	<u>4.98</u>
16	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.88</u>	<u>4.18</u>	<u>4.58</u>	<u>4.88</u>	<u>4.98</u>	<u>5.18</u>
17	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>4.28</u>	<u>4.58</u>	<u>4.98</u>	<u>5.08</u>	<u>5.18</u>	<u>5.38</u>
18	<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>

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

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

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

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

1 classification, for purposes of this subsection, shall be in accordance
2 with established classification practices found in the "Standard
3 Industrial Classification Manual" issued by the federal office of
4 management and budget to the third digit provided in the Standard
5 Industrial Classification code.

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

8 For the purpose of simplification of employer reports, the
9 "combined contribution rate" shall be used in the calculation of
10 employer taxes. The combined contribution rate shall include the
11 regular contribution rate as determined under RCW 50.29.025, employment
12 and training trust fund contributions as determined under section 2 of
13 this act, and special contributions required under RCW 50.24.014. A
14 mention of the "combined contribution rate" may not be made on a tax
15 form or publication unless the form or publication specifically
16 identifies the specific contributions. The combined contribution rate
17 may not be quoted on a form unless the specific component rates are
18 also quoted. The sole purpose of the combined contribution rate is to
19 allow an employer to perform a single calculation on a tax return
20 rather than four separate calculations.

21 NEW SECTION. **Sec. 14.** Prior to any increase in the employer tax
22 schedule as provided in section 11 of this act, the commissioner shall
23 provide a report to the appropriate committees of the legislature
24 specifying to what extent the work force training expenditures in
25 chapter . . . , Laws of 1993 (this act) elevated employer contribution
26 rates for the effective tax schedule.

27 NEW SECTION. **Sec. 15.** The sum of twenty-nine million three
28 hundred thirty thousand dollars, or as much thereof as may be
29 necessary, is appropriated from the employment and training trust fund
30 to the state board for community and technical colleges for the
31 biennium ending June 30, 1995, to carry out training and related
32 support services under this act. Of the amount appropriated by this
33 section, twenty-five million nine hundred thirty thousand dollars shall
34 provide for training enrollments, five hundred thousand dollars shall
35 provide for financial aid for individuals being trained under this
36 section at technical colleges, two million dollars shall provide for

1 child care for dependents of individuals being trained under this
2 section, and nine hundred thousand dollars shall provide for
3 transportation costs to individuals being trained under this section.

4 NEW SECTION. **Sec. 16.** The sum of fourteen million six hundred
5 seventy thousand dollars, or as much thereof as may be necessary, is
6 appropriated from the employment and training trust fund to the
7 employment security department for the biennium ending June 30, 1995,
8 to carry out the purposes of section 3 of this act.

9 NEW SECTION. **Sec. 17.** To the extent that available funding from
10 the employment and training trust fund is in excess of or is not
11 sufficient to provide the appropriations in sections 15 and 16, chapter
12 . . ., Laws of 1993 (sections 15 and 16 of this act), the available
13 funds shall be appropriated to the state board for community and
14 technical colleges and the employment security department in the same
15 ratio as funds are appropriated in sections 15 and 16, chapter . . .,
16 Laws of 1993 (sections 15 and 16 of this act).

17 NEW SECTION. **Sec. 18.** (1) The employment security department
18 shall report to the appropriate committees of the legislature by
19 December 1, 1994, and every year thereafter, on the status of the
20 programs provided in this act and the resulting outcomes. The
21 department shall include in its report quantitative and demographic
22 information on the increase in job orders, placement referrals,
23 individualized training plans, skill assessments, and other
24 interventions achieved. The department also shall include in its
25 report the number of repeat clients as a percentage of all clients
26 served by programs provided in chapter . . ., Laws of 1933 (this act).

27 (2) The state board for community and technical colleges shall
28 report to the appropriate standing committees of the legislature by
29 December 1, 1994, and every year thereafter, the number of certified
30 student full-time equivalents receiving training as provided in this
31 act. In addition, the report must include information on the outcomes
32 of the provided training. The report also must include indices of
33 placement rates, student demographics, training plan completion rates,
34 and comparisons of preprogram and postprogram wage levels.

35 (3) Each community and technical college shall confer and consult
36 with its respective labor-management advisory board concerning the

1 college's efforts to provide the training and services rendered in
2 chapter . . . , Laws of 1993 (this act) and meet the completion and
3 placement goals of the work force training and education coordinating
4 board.

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

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

9 NEW SECTION. **Sec. 20.** A new section is added to chapter 43.131
10 RCW to read as follows:

11 The following acts or parts of acts are each repealed, effective
12 June 30, 1999:

- 13 (1) Section 1 of this act;
- 14 (2) Section 2 of this act;
- 15 (3) Section 3 of this act;
- 16 (4) Section 4 of this act;
- 17 (5) Section 6 of this act;
- 18 (6) Section 13 of this act; and
- 19 (7) Section 18 of this act.

20 NEW SECTION. **Sec. 21.** (1) Sections 8 and 10 of this act shall
21 take effect June 30, 1999;

22 (2) Section 12 of this act shall take effect January 1, 1998.

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

33 NEW SECTION. **Sec. 23.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 24.** This act applies to tax rate years
4 beginning with tax rate year 1994.

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