
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 an effective date.

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 to individuals
7 who have been terminated or have received a notice of termination from
8 employment, and who are eligible for or have exhausted their
9 entitlement to unemployment compensation benefits within the previous
10 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 5(1)(b) of this act and
33 applies for such certification within the first three 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.** (1) The treasurer of the employment security
8 department shall disburse the amounts appropriated by section 13,
9 chapter . . . , Laws of 1993 (section 13 of this act) to the state board
10 for community and technical colleges. These funds shall be allotted
11 for, and only for, training programs and related support services in
12 the community and technical college system that:

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

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

32 (c) Provide increased enrollments and support services that do not
33 replace or supplant any existing enrollments, programs, support
34 services, or funding sources.

35 (2) For purposes of chapter . . . , Laws of 1993 (this act),
36 training provided by the community and technical colleges shall only
37 consist of basic skills and literacy, occupational skills, vocational
38 education, and related or supplemental instruction for apprentices who

1 are enrolled in a registered, state-approved apprenticeship program.
2 Community and technical colleges may contract with skill centers to
3 provide training authorized in this section. Upon the request of an
4 eligible recipient, a community and technical college may contract with
5 a private technical school for specialized vocational training.
6 Available tuition for the training is limited to the amount that would
7 otherwise be obtained per enrolled quarter to a public institution.
8 Furthermore, the funding is only available to students who seek
9 training in a course of study not available at a public institution
10 within an eligible recipient's congressional district.

11 **Sec. 6.** RCW 50.16.010 and 1991 sp.s. c 13 s 59 are each amended to
12 read as follows:

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

20 (1) The unemployment compensation fund shall consist of
21 ~~((1))~~ (a) all contributions and payments in lieu of contributions
22 collected pursuant to the provisions of this title,
23 ~~((2))~~ (b) any property or securities acquired through the use of
24 moneys belonging to the fund,
25 ~~((3))~~ (c) all earnings of such property or securities,
26 ~~((4))~~ (d) any moneys received from the federal unemployment
27 account in the unemployment trust fund in accordance with Title XII of
28 the social security act, as amended,
29 ~~((5))~~ (e) all money recovered on official bonds for losses
30 sustained by the fund,
31 ~~((6))~~ (f) all money credited to this state's account in the
32 unemployment trust fund pursuant to section 903 of the social security
33 act, as amended,
34 ~~((7))~~ (g) all money received from the federal government as
35 reimbursement pursuant to section 204 of the federal-state extended
36 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and
37 ~~((8))~~ (h) all moneys received for the fund from any other source.

1 All moneys in the unemployment compensation fund shall be
2 commingled and undivided.

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

4 (i) All interest on delinquent contributions collected pursuant to
5 this title~~((7))~~i

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

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

10 (iv) Revenue received under RCW 50.24.014:

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

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

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

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

29 Money in the special account created under RCW 50.24.014 may only
30 be expended, after appropriation, for the purposes specified in RCW
31 ~~((74.09.035, 74.09.510, 74.09.520, and 74.09.700))~~ 50.62.010,
32 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025,
33 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. 7.** RCW 50.16.010 and 1993 c s 6 (section 6 of this act)
38 are each amended to read as follows:

1 There shall be maintained as special funds, separate and apart from
2 all public moneys or funds of this state an unemployment compensation
3 fund, an administrative contingency fund, (~~(an employment and training~~
4 ~~trust fund,~~)) and a federal interest payment fund, which shall be
5 administered by the commissioner exclusively for the purposes of this
6 title, and to which RCW 43.01.050 (~~and 43.84.092~~) shall not be
7 applicable.

8 ~~((1))~~ The unemployment compensation fund shall consist of
9 ~~((a))~~ (1) all contributions and payments in lieu of contributions
10 collected pursuant to the provisions of this title,

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

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

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

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

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

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

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

26 All moneys in the unemployment compensation fund shall be
27 commingled and undivided.

28 ~~((2)(a))~~ The administrative contingency fund shall consist of ~~((~~
29 ~~(i))~~ all interest on delinquent contributions collected pursuant
30 to this title ~~((~~

31 ~~(ii))~~, all fines and penalties collected pursuant to the
32 provisions of this title ~~((~~

33 ~~(iii))~~, all sums recovered on official bonds for losses sustained
34 by the fund ~~((~~ and

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

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

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

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

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

15 Money in the special account created under RCW 50.24.014 may only
16 be expended, after appropriation, for the purposes specified in RCW
17 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
18 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

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

22 **Sec. 8.** RCW 50.16.020 and 1983 1st ex.s. c 23 s 10 are each
23 amended to read as follows:

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

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

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

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

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

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

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

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

36 **Sec. 9.** RCW 50.16.020 and 1993 c s 8 (section 8 of this act)
37 are each 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~~
3 ~~fund,))~~ and of the administrative contingency fund, who shall
4 administer such funds in accordance with the directions of the
5 commissioner and shall issue his or her warrants upon them in
6 accordance with such regulations as the commissioner shall prescribe.
7 The treasurer and custodian shall maintain within the unemployment
8 compensation fund 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 50.29.025 and 1990 c 245 s 7 are each amended to read
13 as follows:

14 The contribution rate for each employer shall be determined under
15 this section.

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

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

29	Interval of the	
30	Fund Balance Ratio	Effective
31	Expressed as a Percentage	Tax Schedule
32	3.40 and above	A
33	2.90 to 3.39	B
34	2.40 to 2.89	C
35	1.90 to 2.39	D
36	1.40 to 1.89	E

2 (3) An array shall be prepared, listing all qualified employers in
 3 ascending order of their benefit ratios. The array shall show for each
 4 qualified employer: (a) Identification number; (b) benefit ratio; (c)
 5 taxable payrolls for the four calendar quarters immediately preceding
 6 the computation date and reported to the department by the cut-off
 7 date; (d) a cumulative total of taxable payrolls consisting of the
 8 employer's taxable payroll plus the taxable payrolls of all other
 9 employers preceding him or her in the array; and (e) the percentage
 10 equivalent of the cumulative total of taxable payrolls.

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

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

Percent of		Schedule((s)) of Contribution((s)) Rates							
Cumulative		for Effective Tax Schedule							
Taxable Payrolls		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	

1	45.01	50.00	10	1.98	2.38	2.78	3.18	3.58	3.98
2	50.01	55.00	11	2.28	2.58	2.98	3.38	3.78	4.08
3	55.01	60.00	12	2.48	2.78	3.18	3.58	3.98	4.28
4	60.01	65.00	13	2.68	2.98	3.38	3.78	4.18	4.48
5	65.01	70.00	14	2.88	3.18	3.58	3.98	4.38	4.68
6	70.01	75.00	15	3.08	3.38	3.78	4.18	4.58	4.78
7	75.01	80.00	16	3.28	3.58	3.98	4.38	4.68	4.88
8	80.01	85.00	17	3.48	3.78	4.18	4.58	4.88	4.98
9	85.01	90.00	18	3.88	4.18	4.58	4.88	4.98	5.18
10	90.01	95.00	19	4.28	4.58	4.98	5.08	5.18	5.38
11	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40))

12	<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>
13	<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>
14	<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>
15	<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>
16	<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>
17	<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>
18	<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>
19	<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>
20	<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>
21	<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>
22	<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>
23	<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>
24	<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>
25	<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>
26	<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>
27	<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>
28	<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>
29	<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>
30	<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>
31	<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>

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

34 (a) Employers who do not meet the definition of "qualified
35 employer" by reason of failure to pay contributions when due shall be
36 assigned the contribution rate of five and four-tenths percent, except
37 employers who have an approved agency-deferred payment contract by

1 September 30 of the previous rate year. If any employer with an
2 approved agency-deferred payment contract fails to make any one of the
3 succeeding deferred payments or fails to submit any succeeding tax
4 report and payment in a timely manner, the employer's tax rate shall
5 immediately revert to five and four-tenths percent for the current rate
6 year;

7 (b) The contribution rate for employers exempt as of December 31,
8 1989, who are newly covered under the section 78, chapter 380, Laws of
9 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
10 array shall be 2.5 percent for employers whose standard industrial code
11 is "013", "016", "017", "018", "019", "021", or "081"; and

12 (c) For all other employers not qualified to be in the array, the
13 contribution rate shall be a rate equal to the average industry rate as
14 determined by the commissioner; however, the rate may not be less than
15 one percent. Assignment of employers by the commissioner to industrial
16 classification, for purposes of this subsection, shall be in accordance
17 with established classification practices found in the "Standard
18 Industrial Classification Manual" issued by the federal office of
19 management and budget to the third digit provided in the Standard
20 Industrial Classification code.

21 **Sec. 11.** RCW 50.29.025 and 1993 c s 10 (section 10 of this
22 act) are each amended to read as follows:

23 The contribution rate for each employer shall be determined under
24 this section.

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

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

1	Interval of the	
2	Fund Balance Ratio	Effective
3	Expressed as a Percentage	Tax Schedule
4	3.40 and above	A
5	2.90 to 3.39	B
6	2.40 to 2.89	C
7	1.90 to 2.39	D
8	1.40 to 1.89	E
9	Less than 1.40	F

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

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

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

31	Percent of									
32	Cumulative		Schedules	of	Contributions	Rates				
33	Taxable Payrolls		for Effective Tax Schedule							
34		Rate								
35	From	To	Class	A	B	C	D	E	F	

1	(0.00	5.00	1	0.36	0.46	0.86	1.36	1.78	2.36
2		5.01	10.00	2	0.36	0.66	1.06	1.56	1.96	2.56
3		10.01	15.00	3	0.46	0.86	1.26	1.66	2.16	2.76
4		15.01	20.00	4	0.66	1.06	1.46	1.86	2.36	2.96
5		20.01	25.00	5	0.86	1.26	1.66	2.06	2.56	3.06
6		25.01	30.00	6	1.06	1.46	1.86	2.26	2.66	3.16
7		30.01	35.00	7	1.26	1.66	2.06	2.46	2.86	3.26
8		35.01	40.00	8	1.46	1.86	2.26	2.66	3.06	3.46
9		40.01	45.00	9	1.66	2.06	2.46	2.86	3.26	3.66
10		45.01	50.00	10	1.86	2.26	2.66	3.06	3.46	3.86
11		50.01	55.00	11	2.16	2.46	2.86	3.26	3.66	3.96
12		55.01	60.00	12	2.36	2.66	3.06	3.46	3.86	4.16
13		60.01	65.00	13	2.56	2.86	3.26	3.66	4.06	4.36
14		65.01	70.00	14	2.76	3.06	3.46	3.86	4.26	4.56
15		70.01	75.00	15	2.96	3.26	3.66	4.06	4.46	4.66
16		75.01	80.00	16	3.16	3.46	3.86	4.26	4.56	4.76
17		80.01	85.00	17	3.36	3.66	4.06	4.46	4.76	4.86
18		85.01	90.00	18	3.76	4.06	4.46	4.76	4.86	5.06
19		90.01	95.00	19	4.16	4.46	4.86	4.96	5.06	5.26
20		95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40))

21	<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>
22	<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>
23	<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>
24	<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>
25	<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>
26	<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>
27	<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>
28	<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>
29	<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>
30	<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>
31	<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>
32	<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>
33	<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>
34	<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>
35	<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>
36	<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>
37	<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>
38	<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>

1	<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>
2	<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>

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

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

15 (b) The contribution rate for employers exempt as of December 31,
16 1989, who are newly covered under the section 78, chapter 380, Laws of
17 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
18 array shall be 2.5 percent for employers whose standard industrial code
19 is "013", "016", "017", "018", "019", "021", or "081"; and

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

29 NEW SECTION. **Sec. 12.** A new section is added to chapter 50.29
30 RCW to read as follows:

31 For the purpose of simplification of employer reports, the
32 "combined contribution rate" shall be used in the calculation of
33 employer taxes. The combined contribution rate shall include the
34 regular contribution rate as determined under RCW 50.29.025, employment
35 and training trust fund contributions as determined under section 2 of
36 this act, and special contributions required under RCW 50.24.014. A
37 mention of the "combined contribution rate" may not be made on a tax
38 form or publication unless the form or publication specifically

1 identifies the specific contributions. The combined contribution rate
2 may not be quoted on a form unless the specific component rates are
3 also quoted. The sole purpose of the combined contribution rate is to
4 allow an employer to perform a single calculation on a tax return
5 rather than four separate calculations.

6 NEW SECTION. **Sec. 13.** The sum of twenty-nine million three
7 hundred thirty thousand dollars, or as much thereof as may be
8 necessary, is appropriated from the employment and training trust fund
9 to the state board for community and technical colleges for the
10 biennium ending June 30, 1995, to carry out training and related
11 support services under this act. Of the amount appropriated by this
12 section, twenty-six million four hundred thirty thousand dollars shall
13 provide for training enrollments, two million dollars shall provide for
14 child care for dependents of individuals being trained under this
15 section, and nine hundred thousand dollars shall provide for
16 transportation costs to individuals being trained under this section.

17 NEW SECTION. **Sec. 14.** The sum of fourteen million six hundred
18 seventy thousand dollars, or as much thereof as may be necessary, is
19 appropriated from the employment and training trust fund to the
20 employment security department for the biennium ending June 30, 1995,
21 to carry out the purposes of section 3 of this act.

22 NEW SECTION. **Sec. 15.** To the extent that available funding from
23 the employment and training trust fund is in excess of or is not
24 sufficient to provide the appropriations in sections 13 and 14, chapter
25 . . . , Laws of 1993 (sections 13 and 14 of this act), the available
26 funds shall be appropriated to the state board for community and
27 technical colleges and the employment security department in the same
28 ratio as funds are appropriated in sections 13 and 14, chapter . . . ,
29 Laws of 1993 (sections 13 and 14 of this act).

30 NEW SECTION. **Sec. 16.** (1) The employment security department
31 shall report to the appropriate committees of the legislature by
32 December 1, 1994, and every year thereafter, on the status of the
33 programs provided in this act and the resulting outcomes. The
34 department shall include in its report quantitative and demographic
35 information on the increase in job orders, placement referrals,

1 individualized training plans, skill assessments, and other
2 interventions achieved.

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

11 (3) Each community and technical college shall confer and consult
12 with its respective labor-management advisory board concerning the
13 college's efforts to provide the training and services rendered in
14 chapter . . . , Laws of 1993 (this act) and meet the completion and
15 placement goals of the work force training and education coordinating
16 board.

17 NEW SECTION. **Sec. 17.** A new section is added to chapter 43.131
18 RCW to read as follows:

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

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

23 The following acts or parts of acts are each repealed, effective
24 June 30, 1999:

- 25 (1) Section 1 of this act;
- 26 (2) Section 2 of this act;
- 27 (3) Section 3 of this act;
- 28 (4) Section 4 of this act;
- 29 (5) Section 5 of this act;
- 30 (6) Section 12 of this act; and
- 31 (7) Section 16 of this act.

32 NEW SECTION. **Sec. 19.** Sections 7, 9, and 11 of this act take
33 effect June 30, 1999.

34 NEW SECTION. **Sec. 20.** If any part of this act is found to be in
35 conflict with federal requirements that are a prescribed condition to

1 the allocation of federal funds to the state or the eligibility of
2 employers in this state for federal unemployment tax credits, the
3 conflicting part of this act is hereby declared to be inoperative
4 solely to the extent of the conflict, and such finding or determination
5 shall not affect the operation of the remainder of this act. The rules
6 under this act shall meet federal requirements that are a necessary
7 condition to the receipt of federal funds by the state or the granting
8 of federal unemployment tax credits to employers in this state.

9 NEW SECTION. **Sec. 21.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 22.** This act applies to tax rate years
14 beginning with tax rate year 1994.

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