

FINAL BILL REPORT

SSB 5653

C 248 L 07
Synopsis as Enacted

Brief Description: Authorizing the development of self-employment assistance programs.

Sponsors: Senate Committee on Economic Development, Trade & Management (originally sponsored by Senators Kauffman, Kastama, Brown, Berkey, Rockefeller, Keiser, Franklin, Kohl-Welles and Shin).

Senate Committee on Economic Development, Trade & Management
Senate Committee on Ways & Means
House Committee on Commerce & Labor
House Committee on Appropriations

Background: The U.S. Department of Labor (USDOL) funded pilot projects in Washington and Massachusetts from 1989 to 1991, providing self-employment assistance to unemployed workers. The results showed that self-employment assistance efforts for those who self-select as wanting to start a business were cost effective for the participant, the federal government, and society as a whole.

Congress enacted legislation in 1993, permitting states to adopt self-employment allowance provisions as part of their state unemployment insurance laws.

A number of states have implemented self-employment assistance programs consistent with the guidelines established by the USDOL. These programs essentially allow individuals receiving unemployment benefits, who have been identified as likely to be unemployed long term, the opportunity to establish a microenterprise. Participants receive benefit payments during their unemployment insurance eligibility period while engaged in business training and the startup of a business.

Summary: Individuals enrolled in self-employment assistance programs approved by the Commissioner of Department of Employment Security (ESD) are eligible to continue receiving regular unemployment insurance benefits if they have been identified by the ESD as likely to exhaust their regular unemployment insurance benefits. Enrollment in a self-employment assistance program satisfies the weekly work search requirement that an individual must meet to be eligible to receive weekly benefits.

Enrollment in a self-employment assistance program does not entitle the enrollee to any additional benefit payments. The Commissioner of ESD must approve the self-employment assistance programs. ESD is not obligated to expend any funds on providing the self-employment assistance programs. Persons completing a self-employment program may not directly compete with their former employer. The effective date of the act is January 1, 2008. The act expires July 1, 2012.

By December 1, 2011, ESD is to report on the performance of the self-employment assistance program.

Votes on Final Passage:

Senate	46	0	
House	68	26	(House amended)
Senate	44	2	(Senate concurred)

Effective: January 1, 2008