**2965.E AMS BRAU S7689.2 - NOT FOR FLOOR USE**

**EHB 2965** - S AMD **1379**

By Senator Braun

**ADOPTED 03/12/2020**

On page 1, line 5, after "sum of" strike "one hundred million" and insert "one hundred seventy-five million"

On page 1, line 14, after "sum of" strike "one hundred million" and insert "one hundred seventy-five million"

On page 1, line 15, after "account" insert "and the sum of twenty-five million dollars is appropriated from the general fund—federal"

On page 1, at the beginning of line 17, after "and" strike "is" and insert "are"

On page 2, line 1, after "The" strike "appropriation" and insert "appropriations"

On page 2, line 2, after "section" strike "is" and insert "are"

On page 2, line 7, after "state," insert "tribal,"

On page 2, line 9, after "Agencies" insert ", federally recognized tribes,"

On page 2, line 12, after "agency" insert ", federally recognized tribe,"

On page 2, line 14, after "agency" insert ", federally recognized tribe,"

On page 2, after line 22, insert the following:

"(5) In order to facilitate the monthly reporting required by subsection (1) of this section and to increase transparency, the office of financial management must create unique appropriation and expenditure codes to be used in the statewide accounting and financial reporting system that must be used by state agencies and institutions of higher education to separately identify state spending by the appropriations in this act and for other unanticipated spending in response to the coronavirus (COVID-19) outbreak funded by appropriations in the omnibus operating appropriations act."

On page 2, after line 22, insert the following:

"NEW SECTION. **Sec.**  The sum of twenty-five million dollars is appropriated from the budget stabilization account for the fiscal year ending June 30, 2020, and is provided solely for expenditure into the COVID-19 unemployment account for the purposes described in section 5 of this act. For purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in the ensuing biennium.

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

(1) The COVID-19 unemployment account is created in the custody of the state treasurer. Revenues to the account shall consist of appropriations and transfers by the legislature and all other funding directed for deposit into the account. Only the commissioner of the employment security department or the commissioner's designee may authorize expenditures from the account. Expenditures from the account may be used only for reimbursing the unemployment trust fund account for unemployment benefits paid to the approved employees of employers approved for such reimbursement pursuant to section 5 of this act. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) Any federal funding or relief for novel coronavirus that could be used for the purposes of section 5 of this act must be used first before spending from the account. Additionally, if the employment security department subsequently receives reimbursements from federal sources for amounts spent from the account, the department must remit the federal funding to the state treasurer for reimbursement to the budget stabilization account. If federal law or rules would prevent such remittance, the department must notify the office of financial management and the fiscal committees of the legislature within thirty days of receipt of the reimbursement.

(3) By July 1, 2021, the commissioner must certify to the state treasurer the amount of any unobligated moneys in the COVID-19 unemployment account that are attributable to the budget stabilization account appropriation in section 3 of this act, and the treasurer must transfer those moneys back to the budget stabilization account.

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

(1) By September 30, 2020, a contribution paying employer may submit an application to the employment security department to have the approved benefits paid to approved employees be reimbursed by the COVID-19 unemployment account instead of charged to the employer's experience rating account. The application must be submitted in a form and manner approved by the department through rule.

(2) The department should not approve an application if the benefits paid will not otherwise be charged to the employer's experience rating account or if the employer was otherwise eligible to receive relief of benefit charges.

(3) If the department approves an employer's application, the department will not charge the forgiven benefits to the employer's experience rating account. The commissioner shall instead transfer from the COVID-19 unemployment account to the unemployment trust fund account an amount equal to the forgiven benefits.

(4) If the department rejects an employer's application, the department shall present the employer with the reasons why the application was rejected. The reasons for the rejection are final and nonappealable.

(5) For purposes of this section, the following definitions apply:

(a) "Approved employee" means an employee who:

(i) Was temporarily laid off as a direct or indirect consequence of an outbreak of COVID-19;

(ii) Was approved by the department to be on standby pursuant to rules adopted by the department;

(iii) Has returned to the same employment with the employer the employee had prior to the temporary unemployment; and

(iv) Meets other criteria the department may establish by rule.

(b) "Approved benefits" means benefits paid to an approved employee while the approved employee was on standby pursuant to rules adopted by the department.

(c) "Total approved benefits" means the sum total of all approved benefits paid to all approved employees.

(d) "Forgiveness ratio" is computed by dividing the amount of money in the COVID-19 unemployment account by the total approved benefits. The forgiveness ratio cannot be more than 1.

(e) "Forgiven benefits" means the approved benefits for an individual employer multiplied by the forgiveness ratio.

(6) The department shall adopt such rules as are necessary to carry out the purposes of this section.

(7) This section expires July 30, 2021."

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 3, after line 16, insert the following:

"NEW SECTION. **Sec.**  If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is inoperative solely to the extent of the conflict, and this finding or determination does not affect the operation of the remainder of this act. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state."

Renumber the remaining section consecutively and correct any internal references accordingly.

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On page 1, line 2 of the title, after "38.52.105;" insert "adding a new section to chapter 50.16 RCW; adding a new section to chapter 50.29 RCW;"

On page 1, line 2 of the title, after "74.46 RCW;" insert "creating a new section;"

On page 1, line 3 of the title, after "appropriations;" insert "providing an expiration date;"

EFFECT: Increases the Budget Stabilization Account transfer to the Disaster Response Account from $100 million to $175 million. Increases the OFM appropriation from the Disaster Response Account from $100 million to $175 million. Provides $25 million in General Fund—Federal funding. In addition to the existing accountability pieces in section 2, adds that OFM will create unique appropriation and expenditure codes in the statewide accounting system for COVID-19 spending that state agencies and higher education institutions must use to track spending from the Disaster Response Account and for other unanticipated spending using funding from the operating budget.

Cleans up the nonsupplant and federal reimbursement language to add tribes.

Appropriates $25 million of the Budget Stabilization Account into the newly created COVID-19 unemployment account, a nonappropriated fund. Requires the Employment Security Department to use federal funds for the same purpose first and to reimburse the Budget Stabilization Account if necessary. Any unobligated funds on July 1, 2021, would be transferred back to the Budget Stabilization Account.

Allows employers who have employees receiving unemployment insurance benefits as a direct or indirect result of the COVID-19 outbreak to apply by September 30, 2020, for the COVID-19 unemployment account to cover the unemployment benefit charges of the employer. If the $25 million is not enough to provide 100 percent relief, the amount of relief will be reduced proportionally amongst all approved employers.