

EHB 2965 - S AMD 1379

By Senator Braun

ADOPTED 03/12/2020

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

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

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

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

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

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

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

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

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

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

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

21 "(5) In order to facilitate the monthly reporting required by
22 subsection (1) of this section and to increase transparency, the
23 office of financial management must create unique appropriation and
24 expenditure codes to be used in the statewide accounting and
25 financial reporting system that must be used by state agencies and
26 institutions of higher education to separately identify state
27 spending by the appropriations in this act and for other

1 unanticipated spending in response to the coronavirus (COVID-19)
2 outbreak funded by appropriations in the omnibus operating
3 appropriations act."

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

5 "NEW SECTION. **Sec. 3.** The sum of twenty-five million dollars is
6 appropriated from the budget stabilization account for the fiscal
7 year ending June 30, 2020, and is provided solely for expenditure
8 into the COVID-19 unemployment account for the purposes described in
9 section 5 of this act. For purposes of RCW 43.88.055(4), the
10 appropriation in this section does not alter the requirement to
11 balance in the ensuing biennium.

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

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

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

36 (3) By July 1, 2021, the commissioner must certify to the state
37 treasurer the amount of any unobligated moneys in the COVID-19
38 unemployment account that are attributable to the budget

1 stabilization account appropriation in section 3 of this act, and the
2 treasurer must transfer those moneys back to the budget stabilization
3 account.

4 NEW SECTION. **Sec. 5.** A new section is added to chapter 50.29
5 RCW to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 "NEW SECTION. **Sec. 5.** If any part of this act is found to be in
13 conflict with federal requirements that are a prescribed condition to
14 the allocation of federal funds to the state or the eligibility of
15 employers in this state for federal unemployment tax credits, the
16 conflicting part of this act is inoperative solely to the extent of
17 the conflict, and this finding or determination does not affect the
18 operation of the remainder of this act. Rules adopted under this act
19 must meet federal requirements that are a necessary condition to the
20 receipt of federal funds by the state or the granting of federal
21 unemployment tax credits to employers in this state."

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

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24 On page 1, line 2 of the title, after "38.52.105;" insert "adding
25 a new section to chapter 50.16 RCW; adding a new section to chapter
26 50.29 RCW;"

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

1 On page 1, line 3 of the title, after "appropriations;" insert
2 "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.

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