The House was called to order at 10:00 a.m. by the Speaker (Representative Orwall presiding). The Clerk called the roll and a quorum was present.

The Speaker (Representative Orwall presiding) called upon Representative Moeller to preside.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Daniel Whitmore and David Whitmore. The Speaker (Representative Moeller presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Norma Hissong, Baha'i Spiritual Assembly of Olympia, Washington.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

RESOLUTION


WHEREAS, Inland Northwest Honor Flight's mission is to transport Inland Northwest war veterans to Washington D.C. to visit those memorials dedicated to honor their service and sacrifices; and
WHEREAS, Inland Northwest Honor Flight is a regional hub of a national organization, and was started in May 2009 to serve as many veterans as possible and to serve any veteran who can get to Spokane to travel with the Inland Northwest Honor Flight at no cost to the veteran; and
WHEREAS, Inland Northwest Honor Flight provides trips to Washington D.C. for veterans and ensures that the veterans have a safe and enjoyable trip at no cost to the veteran; and
WHEREAS, Inland Northwest Honor Flight's top priority is given to our most senior heroes, survivors of World War II, and any veteran with a terminal illness who wishes to visit the veterans' memorials; and
WHEREAS, The future, the Inland Northwest Honor Flight will transition to pay tribute to Korean War, Vietnam War, and all other veterans who served, on a chronologica basis;
NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives of the State of Washington recognize the value and dedication of the Inland Northwest Honor Flight for the continued support and graciousness in thanking the veterans of the United States Armed Forces by providing transportation for our nations surviving heroes, who are passing away at a rate of 1,000 a day, to visit the memorials in Washington D.C. that were constructed in their honor; and
BE IT FURTHER RESOLVED, That the House of Representatives of the State of Washington express its thanks and appreciation to the devoted members of the Armed Forces and their families for their sacrifices; and
BE IT FURTHER RESOLVED, That the House of Representatives of the State of Washington express its thanks and appreciation to the airlines that donate thousands of tickets to the Inland Northwest Honor Flight, which allows this program to continue at no cost to the veterans; and
BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the office of the Inland Northwest Honor Flight.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4620.

HOUSE RESOLUTION NO. 4620 was adopted.

INTRODUCTIONS AND FIRST READING

HB 1899 by Representatives Miloscia, Overstreet, Hurst, Taylor, Hunt, Armstrong, McCoy and Condotta

AN ACT Relating to penalties for public records violations; reenacting and amending RCW 42.56.550; and prescribing penalties.
Referred to Committee on State Government & Tribal Affairs.

HB 1900 by Representatives Stanford, Ladenburg, Ryu and Green

AN ACT Relating to establishing continuing education requirements for engineers; amending RCW 18.43.080; and providing an effective date.
Referred to Committee on Business & Financial Services.

HB 1901 by Representatives Cody and Hinkle

AN ACT Relating to modifying the business and occupation tax deduction for organizations providing child welfare services; amending RCW 82.04.4297.
Referred to Committee on Ways & Means.

HB 1902 by Representative Kagi

AN ACT Relating to modifying the business and occupation tax deduction for organizations providing child welfare services; amending RCW 82.04.4297.
Referred to Committee on Ways & Means.

HB 1903 by Representatives Orwall, Goodman and Roberts
AN ACT Relating to background checks for child care licensees and employees; amending RCW 43.215.215; reenacting and amending RCW 43.215.010; and adding a new section to chapter 43.215 RCW.

Referred to Committee on Early Learning & Human Services.

HB 1904 by Representatives Clibborn and Rodne

AN ACT Relating to nonresident vessel permits and taxation; and amending RCW 88.02.620, 82.08.700, and 82.12.700.

Referred to Committee on Ways & Means.

HB 1905 by Representatives Haigh and Finn

AN ACT Relating to cemetery district formation requirements; and amending RCW 68.52.100 and 68.52.170.

Referred to Committee on Local Government.

HB 1906 by Representatives Cody and Fitzgibbon

AN ACT Relating to salmon and steelhead spawning beds; adding a new section to chapter 77.95 RCW; and prescribing penalties.

Referred to Committee on Agriculture & Natural Resources.

HB 1907 by Representatives Hasegawa, Moscoso, Reykdal, Seaquist, Santos and Probst

Establishing the GET ready for college program.

Referred to Committee on Higher Education.

HB 1908 by Representatives Hasegawa, Seaquist, Santos and Probst

AN ACT Relating to creating a peer mentoring program; amending RCW 28B.12.055; and adding a new chapter to Title 28B RCW.

Referred to Committee on Higher Education.

HB 1909 by Representatives Reykdal, Haler, Seaquist, Carlyle and Hasegawa

AN ACT Relating to creating a funding mechanism to promote innovation at community and technical colleges; amending RCW 28B.15.031 and 28B.15.100; adding a new section to chapter 28B.50 RCW; and creating a new section.

Referred to Committee on Higher Education.

HB 1910 by Representative Sells

AN ACT Relating to industrial insurance long-term disability; but only with respect to permanent partial disability awards, limiting pension awards following a permanent partial disability award, terminating pensions when the workplace residuals are not the predominant factor in a workers' inability to work or be retrained, creating the stay-at-work program, allowing wages for persons receiving long-term disability, and creating the safety and health projects program; amending RCW 51.04.110, 51.32.060, 51.32.067, 51.32.080, and 51.32.160; reenacting and amending RCW 51.32.090; adding a new section to chapter 49.17 RCW; adding a new section to chapter 51.32 RCW; providing an effective date; providing an expiration date; and declaring an emergency.

Referred to Committee on Labor & Workforce Development.

HB 1911 by Representative Klippert

AN ACT Relating to withdrawing from the interstate compact to elect the president by national popular vote; amending RCW 29A.56.320; creating new sections; repealing RCW 29A.56.300; and repealing 2009 c 264 s 1 (uncodified).

Referred to Committee on State Government & Tribal Affairs.

HB 1912 by Representatives Klippert, Goodman and McCune

AN ACT Relating to creating an administrative sobriety checkpoint program; reenacting and amending RCW 46.63.020; adding a new chapter to Title 46 RCW; and prescribing penalties.

Referred to Committee on Judiciary.

HB 1913 by Representatives Klippert, Pearson, McCune, Hope, Ross and Finn

AN ACT Relating to criminal gang intimidation of a law enforcement officer; reenacting and amending RCW 9.94A.515; adding a new section to chapter 9A.46 RCW; and prescribing penalties.

Referred to Committee on Public Safety & Emergency Preparedness.

HB 1914 by Representatives Harris, Jinkins and Cody

AN ACT Relating to maintaining hospital privileges; and amending RCW 48.44.020.

Referred to Committee on Health Care & Wellness.

HB 1915 by Representatives Dunshee, Warnick, Ormsby, Condotta, Sells, Anderson, Green and Armstrong

AN ACT Relating to state assistance for financing local government infrastructure; amending RCW 43.155.010, 43.155.020, 43.155.030, 43.155.055, 43.155.060, 43.155.065, 43.155.068, 43.155.070, 43.155.075, 43.155.090, 43.155.100, 43.160.030, 43.160.035, 43.160.060, 36.135.010, 36.135.020, 36.135.030, 36.135.040, 82.18.040, 82.16.020, and 82.16.020; reenacting and amending RCW 43.155.050; adding a new section to chapter 36.135 RCW; creating a new section; providing an effective date; and providing an expiration date.

Referred to Committee on Capital Budget.

HB 1916 by Representative Ryu

AN ACT Relating to business services delivered by associate development organizations; amending RCW 43.330.080, 43.330.082, and 43.330.010; and adding a new section to chapter 43.330 RCW.
Referred to Committee on Community Development & Housing.

HB 1917 by Representatives Ryu and Stanford

AN ACT Relating to state route number 523; creating new sections; and making an appropriation.
Referred to Committee on Transportation.

SB 5135 by Senators Kohl-Welles, Holmquist Newbry, King, Honeyford, Schoesler, Becker, Hobbs, Rockefeller, Baumgartner, Hill, Litzow and Benton

AN ACT Relating to responding to the current economic conditions by temporarily modifying the unemployment insurance program; amending RCW 50.22.010, 50.22.155, and 50.29.025; creating a new section; and declaring an emergency.

SCR 8400 by Senators Fraser and Parlette

Calling a joint session to honor deceased former members.

There being no objection, the bills listed on the day’s introduction sheet under the fourth order of business were referred to the committees so designated except SENATE BILL NO. 5135 and SENATE CONCURRENT RESOLUTION NO. 8400 which were read the first time, and under suspension of the rules were placed on the second reading calendar.

REPORTS OF STANDING COMMITTEES

February 4, 2011

HB 1019 Prime Sponsor, Representative Roberts: Constraining the department of corrections’ authority to transfer offenders out of state. Reported by Committee on Public Safety & Emergency Preparedness

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hurst, Chair; Ladenburg, Vice Chair; Pearson, Ranking Minority Member; Klippert, Assistant Ranking Minority Member; Armstrong; Goodman; Hope; Kirby; Moscoso and Ross.

Passed to Committee on Rules for second reading.

February 4, 2011

HB 1122 Prime Sponsor, Representative Frockt: Regarding the department of information services’ authority to provide services to public agencies. Reported by Committee on Technology, Energy & Communications

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives McCoy, Chair; Jacks, Vice Chair; Crouse, Ranking Minority Member; Short, Assistant Ranking Minority Member; Anderson; Billig; Dahlquist; Frockt; Haler; Harris; Hasegawa; Kelley; McCune; Morris and Nealey.

Passed to Committee on Rules for second reading.

February 4, 2011

HB 1200 Prime Sponsor, Representative Taylor: Establishing a state meat inspection program. Reported by Committee on Agriculture & Natural Resources

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Blake, Chair; Stanford, Vice Chair; Chandler, Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys; Dunsehe; Hinkle; Kretz; Lytton; Orcutt; Fettigrew; Rolfs and Van De Wege.

February 4, 2011

HB 1206 Prime Sponsor, Representative Dahlquist: Making harassment against criminal justice participants a crime under certain circumstances. Reported by Committee on Public Safety & Emergency Preparedness

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hurst, Chair; Ladenburg, Vice Chair; Pearson, Ranking Minority Member; Klippert, Assistant Ranking Minority Member; Armstrong; Goodman; Hope; Kirby; Moscoso and Ross.

February 4, 2011

HB 1211 Prime Sponsor, Representative Rivers: Concerning utility donations to hunger programs. Reported by Committee on Technology, Energy & Communications

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives McCoy, Chair; Jacks, Vice Chair; Crouse, Ranking Minority Member; Short, Assistant Ranking Minority Member; Anderson; Billig; Dahlquist; Frockt; Haler; Harris; Hasegawa; Kelley; McCune; Morris and Nealey.


Passed to Committee on Rules for second reading.

February 4, 2011

HB 1293 Prime Sponsor, Representative Miloscia: Regarding public disclosure of information relating to provision of child care and early learning services. Reported by Committee on Early Learning & Human Services

MAJORITY recommendation: Do pass. Signed by Representatives Kagi, Chair; Roberts, Vice Chair; Walsh,
Ranking Minority Member; Hope, Assistant Ranking Minority Member; Dickerson; Goodman; Orwell and Overstreet.

Passed to Committee on Rules for second reading.

February 4, 2011

HB 1468 Prime Sponsor, Representative Jinkins:
Concerning public water system operating permits. Reported by Committee on Environment

MAJORITY recommendation: The substitute bill do pass. Signed by Representatives Upthegrove, Chair; Rolfs, Vice Chair; Fitzgibbon; Jacks; Jinkins; Morris; Moscoso; Takko and Tharinger.

MINORITY recommendation: Do not pass. Signed by Representatives Short, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Nealey; Pearson and Taylor.

Referred to Committee on Ways & Means.

There being no objection, the bills listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

SECOND READING

HOUSE BILL NO. 1091, by Representatives Sells, Reykdal and Kenney

Modifying the unemployment insurance program.

The bill was read the second time.

Representative Sells moved the adoption of amendment (14).

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that the state of Washington has run one of the most effective, efficient, and responsible unemployment insurance tax and benefit systems in the nation. The result is a trust fund that is the healthiest of all unemployment insurance trust funds in the nation, resulting in Washington being one of the minority of states that has not been required to borrow from the federal government for the trust fund. The legislature also finds that there is an urgent need for a temporary stimulus to help Washington employers and workers weather some of the most severe economic conditions in the state's history. The state of Washington is uniquely positioned to draw down the balance of the unemployment insurance trust fund to encourage employers to create jobs, stimulate economic activities, and provide needed assistance to unemployed workers, all without jeopardizing the solvency of the trust fund. It is the intent of the legislature to use surplus funds in the unemployment insurance trust fund that are not derived from experience-based charges in order to provide this needed temporary stimulus.

PART I

Temporary Benefit Increase

NEW SECTION. Sec. 2. A new section is added to chapter 50.20 RCW to read as follows:

(1) Except as provided for in subsection (3) of this section, for claims with an effective date on or after March 6, 2011, and before January 1, 2012, an individual's weekly benefit amount shall be the amount established under RCW 50.20.120 plus an additional temporary benefit increase of twenty-five dollars. The weekly benefit amount under this section:

(a) Is payable for all weeks of regular, extended, emergency, supplemental, or additional benefits on that claim;

(b) Shall increase the maximum benefits payable to the individual under RCW 50.20.120(1) by a corresponding dollar amount; and

(c) Shall increase the maximum amount payable weekly and the minimum amount payable weekly, irrespective of the provisions of RCW 50.20.120(3).

(2) Payment of benefits to individuals whose weekly benefit amounts are increased under this section shall be subject to the same terms and conditions under this title that apply to the payment of benefits to individuals whose benefit amounts are established under RCW 50.20.120.

(3) The department must calculate the total amount of temporary benefit increases paid under subsection (1) of this section.

(a) In calculating the total amount of temporary benefit increases, weeks of emergency unemployment compensation and extended benefits shall not be considered.

(b) Except as provided for in (c) of this subsection, when the total amount of temporary benefit increases for all weeks equals ninety million dollars, the temporary benefit increase under subsection (1) of this section may not be paid for any additional weeks. An individual's maximum benefits payable, maximum amount payable weekly, or the minimum amount payable weekly must be adjusted accordingly.

(c) An individual receiving emergency unemployment compensation or extended benefits under this section shall continue to receive the temporary benefit increase for all weeks of emergency unemployment compensation or extended benefits.

Sec. 3. RCW 50.20.120 and 2009 c 3 s 3 are each amended to read as follows:

Except as provided in RCW 50.20.120 and section 2 of this act, benefits shall be payable as provided in this section.

(1) For claims with an effective date on or after April 4, 2004, benefits shall be payable to any eligible individual during the individual's benefit year in a maximum amount equal to the lesser of twenty-six times the weekly benefit amount, as determined in subsection (2) of this section, or one-third of the individual's base year wages under this title.

(2) For claims with an effective date on or after April 24, 2005, an individual's weekly benefit amount shall be an amount equal to three and eighty-five one-hundredths percent of the average quarterly wages of the individual's total wages during the two quarters of the individual's base year in which such total wages were highest.

(3) The maximum and minimum amounts payable weekly shall be determined as of each June 30th to apply to benefit years beginning in the twelve-month period immediately following such June 30th.

(a) The maximum amount payable weekly shall be either four hundred ninety-six dollars or sixty-three percent of the "average weekly wage" for the calendar year preceding such June 30th, whichever is greater.

(b) The minimum amount payable weekly shall be fifteen percent of the "average weekly wage" for the calendar year preceding such June 30th.

(4) If any weekly benefit, maximum benefit, or minimum benefit amount computed herein is not a multiple of one dollar, it shall be reduced to the next lower multiple of one dollar.

Sec. 4. RCW 50.29.021 and 2010 c 25 s 1 are each amended to read as follows:

(1) This section applies to benefits charged to the experience rating accounts of employers for claims that have an effective date on or after January 4, 2004.

(2)(a) An experience rating account shall be established and maintained for each employer, except employers as described in RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected
to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, based on existing records of the employment security department.

(b) Benefits paid to an eligible individual shall be charged to the experience rating accounts of each of such individual's employers during the individual's base year in the same ratio that the wages paid by each employer to the individual during the base year bear to the wages paid by all employers to that individual during that base year, except as otherwise provided in this section.

(c) When the eligible individual's separating employer is a covered contribution paying base year employer, benefits paid to the eligible individual shall be charged to the experience rating account of only the individual's separating employer if the individual qualifies for benefits under:

(i) RCW 50.20.050 (1)(b)(i) or (2)(b)(i), as applicable, and became unemployed after having worked and earned wages in the bona fide work; or

(ii) RCW 50.20.050 (1)(b) (v) through (x) or (2)(b) (v) through (x).

(3) The legislature finds that certain benefit payments, in whole or in part, should not be charged to the experience rating accounts of employers except those employers described in RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make payments in lieu of contributions, taxable local government employers described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, as follows:

(a) Benefits paid to any individual later determined to be ineligible shall not be charged to the experience rating account of any contribution paying employer. However, when a benefit claim becomes invalid due to an amendment or adjustment of a report where the employer failed to report or inaccurately reported hours worked or remuneration paid, or both, all benefits paid will be charged to the experience rating account of the contribution paying employer or employers that originally filed the incomplete or inaccurate report or reports. An employer who reimburses the trust fund for benefits paid to workers and who fails to report or inaccurately reported hours worked or remuneration paid, or both, shall reimburse the trust fund for all benefits paid that are based on the originally filed incomplete or inaccurate report or reports.

(b) Benefits paid to an individual filing under the provisions of chapter 50.06 RCW shall not be charged to the experience rating account of any contribution paying employer only if:

(i) The individual files under RCW 50.06.020(1) after receiving crime victims' compensation for a disability resulting from a nonwork-related occurrence; or

(ii) The individual files under RCW 50.06.020(2).

(c) Benefits paid which represent the state's share of benefits payable as extended benefits defined under RCW 50.22.010(6) shall not be charged to the experience rating account of any contribution paying employer.

(d) In the case of individuals who requalify for benefits under RCW 50.20.050 or 50.20.060, benefits based on wage credits earned prior to the disqualifying separation shall not be charged to the experience rating account of the contribution paying employer from whom that separation took place.

(e) Benefits paid to an individual who qualifies for benefits under RCW 50.20.050 (1)(b) (iv) or (xi) or (2)(b) (iv) or (xi), as applicable, shall not be charged to the experience rating account of any contribution paying employer.

(f) With respect to claims with an effective date on or after the first Sunday following April 22, 2005, benefits paid that exceed the benefits that would have been paid if the weekly benefit amount for the claim had been determined as one percent of the total wages paid in the individual's base year shall not be charged to the experience rating account of any contribution paying employer. This subsection (3)(f) does not apply to the calculation of contribution rates under RCW 50.29.025 for rate year 2010 and thereafter.

(g) The forty-five dollar increase paid as part of an individual's weekly benefit amount as provided in RCW 50.20.1201 and the twenty-five dollar increase paid as part of an individual's weekly benefit amount as provided in section 2 of this act shall not be charged to the experience rating account of any contribution paying employer.

(h) With respect to claims where the minimum amount payable weekly is increased to one hundred fifty-five dollars pursuant to RCW 50.20.1201(3), benefits paid that exceed the benefits that would have been paid if the minimum amount payable weekly had been calculated pursuant to RCW 50.20.120 shall not be charged to the experience rating account of any contribution paying employer.

(i) Training benefits paid to an individual under RCW 50.22.155 shall not be charged to the experience rating account of any contribution paying employer.

(4)(a) A contribution paying base year employer, not otherwise eligible for relief of charges for benefits under this section, may receive such relief if the benefit charges result from payment to an individual who:

(i) Last left the employ of such employer voluntarily for reasons not attributable to the employer;

(ii) Was discharged for misconduct or gross misconduct connected with his or her work not a result of inability to meet the minimum job requirements;

(iii) Is unemployed as a result of closure or severe curtailment of operation at the employer's plant, building, worksite, or other facility. This closure must be for reasons directly attributable to a catastrophic occurrence such as fire, flood, or other natural disaster;

(iv) Continues to be employed on a regularly scheduled permanent part-time basis by a base year employer and who at some time during the base year was concurrently employed and subsequently separated from at least one other base year employer. Benefit charge relief ceases when the employment relationship between the employer requesting relief and the claimant is terminated. This subsection does not apply to shared work employers under chapter 50.06 RCW; or

(v) Was hired to replace an employee who is a member of the military reserves or National Guard and was called to federal active military service by the president of the United States and is subsequently laid off when that employee is reemployed by their employer upon release from active duty within the time provided for reemployment in RCW 73.16.035.

(b) The employer requesting relief of charges under this subsection must request relief in writing within thirty days following mailing to the last known address of the notification of the valid initial determination of such claim, stating the date and reason for the separation or the circumstances of continued employment. The commissioner, upon investigation of the request, shall determine whether relief should be granted.

PART II

Extended Benefits

Sec. 5. RCW 50.22.010 and 2009 c 493 s 4 are each amended to read as follows:

As used in this chapter, unless the context clearly indicates otherwise:

(1) "Extended benefit period" means a period which:

(a) Begins with the third week after a week for which there is an "on" indicator; and

(b) Ends with the third week after the first week for which there is an "off" indicator: PROVIDED, That no extended benefit period shall last for a period of less than thirteen consecutive weeks, and further that no extended benefit period may begin by reason of an "on" indicator before the fourteenth week after the close of a prior extended benefit period which was in effect with respect to this state.
(2) There is an "on" indicator for this state for a week if the commissioner determines, in accordance with the regulations of the United States secretary of labor, that for the period consisting of such week and the immediately preceding twelve weeks:

(a) The rate of insured unemployment, not seasonally adjusted, equaled or exceeded one hundred twenty percent of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years and equaled or exceeded five percent; or

(b) For benefits for weeks of unemployment beginning after March 6, 1993:

(i) The average rate of total unemployment, seasonally adjusted, as determined by the United States secretary of labor, for the period consisting of the most recent three months for which data for all states are published before the close of the week equals or exceeds six and one-half percent; and

(ii) The average rate of total unemployment, seasonally adjusted, as determined by the United States secretary of labor, for the three-month period referred to in (b)(i) of this subsection, equals or exceeds one hundred ten percent of the average for any of the corresponding three-month periods ending in the two preceding calendar years.

(c) This subsection applies as provided under the tax relief, unemployment insurance reauthorization, and job creation act of 2010 (P.L. 111-312) as it existed on December 17, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this subsection:

(i) The average rate of insured unemployment, not seasonally adjusted, equaled or exceeded one hundred twenty percent of the average of such rates for the corresponding thirteen-week period ending in all of the preceding three calendar years and equaled or exceeded five percent; or

(ii) The average rate of total unemployment, seasonally adjusted, as determined by the United States secretary of labor, for the period consisting of the most recent three months for which data for all states are published before the close of the week equals or exceeds six and one-half percent; and

(iii) The average rate of total unemployment in the state, seasonally adjusted, as determined by the United States secretary of labor, for the three-month period referred to in (c)(ii) of this subsection, equals or exceeds one hundred ten percent of the average for any of the corresponding three-month periods ending in the three preceding calendar years.

(3) "High unemployment period" means any period of unemployment beginning after March 6, 1993, during which an extended benefit period would be in effect if:

(a) The average rate of total unemployment, seasonally adjusted, as determined by the United States secretary of labor, for the period consisting of the most recent three months for which data for all states are published before the close of the week equals or exceeds eight percent; and

(b) The average rate of total unemployment in the state, seasonally adjusted, as determined by the United States secretary of labor, for the three-month period referred to in (a) of this subsection, equals or exceeds one hundred ten percent of the average for either or both of the corresponding three-month periods ending in the two preceding calendar years.

(c) This subsection applies as provided under the tax relief, unemployment insurance reauthorization, and job creation act of 2010 (P.L. 111-312) as it existed on December 17, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this subsection:

(i) The average rate of total unemployment, seasonally adjusted, as determined by the United States secretary of labor, for the period consisting of the most recent three months for which data for all states are published before the close of the week equals or exceeds eight percent; and

(ii) The average rate of total unemployment in the state, seasonally adjusted, as determined by the United States secretary of labor, for the three-month period referred to in (a) of this subsection, equals or exceeds one hundred ten percent of the average for any of the corresponding three-month periods ending in the three preceding calendar years.

(4) There is an "off" indicator for this state for a week only if, for the period consisting of such week and immediately preceding twelve weeks, none of the options specified in subsection (2) or (3) of this section result in an "on" indicator.

(5) "Regular benefits" means benefits payable to an individual under this title or under any state law (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended benefits or additional benefits.

(6) "Extended benefits" means benefits payable for weeks of unemployment beginning in an extended benefit period to an individual under this title or under any state law (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended benefits or additional benefits.

(7) "Additional benefits" are benefits totally financed by the state and payable under this title to exhaustees by reason of conditions of high unemployment or by reason of other special factors.

(8) "Eligibility period" of an individual means:

(a) The period consisting of the weeks in his or her benefit year which begin in an extended benefit period that is in effect in this state and, if his or her benefit year ends within such extended benefit period, any weeks thereafter which begin in such period; or

(b) For an individual who is eligible for emergency unemployment compensation during the extended benefit period beginning February 15, 2009, the period consisting of the week ending February 28, 2009, (through the week ending May 29, 2010) and applies as provided under the tax relief, unemployment insurance reauthorization, and job creation act of 2010 (P.L. 111-312) as it existed on December 17, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this subsection.

(9) "Additional benefit eligibility period" of an individual means the period consisting of the weeks in his or her benefit year which begin in an additional benefit period that is in effect and, if his or her benefit year ends within such additional benefit period, any weeks thereafter which begin in such period.

(10) "Exhaustee" means an individual who, with respect to any week of unemployment in his or her eligibility period:

(a) Has received, prior to such week, all of the regular benefits that were payable to him or her under this title or any other state law (including dependents' allowances and regular benefits payable to federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85) in his or her current benefit year that includes such week; or

(b) Has received, prior to such week, all of the regular benefits that were available to him or her under this title or any other state law (including dependents' allowances and regular benefits available to federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85) in his or her current benefit year that includes such week, after the cancellation of some or all of his or her wage credits or the total or partial reduction of his or her rights to regular benefits: PROVIDED, That, for the purposes of (a) and (b), an individual shall be deemed to have received in his or her current benefit year all of the regular benefits that were payable to him or her, or available to him or her, as the case may be, even though:

(i) As a result of a pending appeal with respect to wages or employment, or both, that were not included in the original monetary determination with respect to his or her current benefit year, he or she may subsequently be determined to be entitled to more regular benefits; or...
(ii) By reason of the seasonal provisions of another state law, he or she is not entitled to regular benefits with respect to such week of unemployment (although he or she may be entitled to regular benefits with respect to future weeks of unemployment in the next season, as the case may be, in his or her current benefit year), and he or she is otherwise an exhauster within the meaning of this section with respect to his or her right to regular benefits under such state law seasonal provisions during the season or off season in which that week of unemployment occurs; or

(iii) Having established a benefit year, no regular benefits are payable to him or her during such year because his or her wage credits were canceled or his or her right to regular benefits was totally reduced as the result of the application of a disqualification; or

(c) His or her benefit year having ended prior to such week, he or she has insufficient wages or employment, or both, on the basis of which he or she could establish in any state a new benefit year that would include such week, or having established a new benefit year that includes such week, he or she is precluded from receiving regular benefits by reason of the provision in RCW 50.04.030 which meets the requirement of section 3304(a)(7) of the Federal Unemployment Tax Act, or the similar provision in any other state law; and

(d)(i) Has no right for such week to unemployment benefits or allowances, as the case may be, under the Railroad Unemployment Insurance Act, the Trade Expansion Act of 1962, and such other federal laws as are specified in regulations issued by the United States secretary of labor; and

(ii) Has not received and is not seeking for such week unemployment benefits under the unemployment compensation law of Canada, unless the appropriate agency finally determines that he or she is not entitled to unemployment benefits under such law for such week.

(11) "State law" means the unemployment insurance law of any state, approved by the United States secretary of labor under section 3304 of the internal revenue code of 1954.

Sec. 6. RCW 50.22.155 and 2009 c 3 s 4 are each amended to read as follows:

(1) This section applies to claims with an effective date on or after April 5, 2009.

(2) Subject to availability of funds, training benefits are available for an individual who is eligible for or has exhausted entitlement to unemployment compensation benefits when:

(a) The individual is a dislocated worker as defined in RCW 50.04.075 and, after assessment of the individual's labor market, occupation, or skills, is determined to need job-related training to find suitable employment in the individual's labor market. The assessment of demand for the individual's occupation or skill sets must be substantially based on declining occupation or skill sets and high-demand occupations identified in local labor market areas by the local workforce development councils in cooperation with the employment security department and its labor market information division; or

(b) For claims with an effective date on or after September 7, 2009, the individual:

(i) Earned an average hourly wage in the individual's base year that is less than one hundred thirty percent of the state minimum wage((a)) and after assessment, it is determined that the individual's earning potential will be enhanced through vocational training. The individual's average hourly wage is calculated by dividing the total wages paid by the total hours worked in the individual's base year;

(ii) Served in the United States military or the Washington national guard during the twelve-month period prior to the application date, was honorably discharged from military service or the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market;

(iii) Is currently serving in the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market; or

(iv) Is disabled due to an injury or illness and, after assessment, is determined to be unable to return to his or her previous occupation and to need job-related training to find suitable employment in the individual's labor market.

(3)(a) The individual must develop an individual training program that is submitted to the commissioner for approval within ninety days after the individual is notified by the employment security department of the requirements of this section;

(b) The individual must enter the approved training program by one hundred twenty days after the date of the notification, unless the employment security department determines that the training is not available during the one hundred twenty days, in which case the individual enters training as soon as it is available;

(c) The department may waive the deadlines established under this subsection for reasons deemed by the commissioner to be good cause.

(4) The individual must be enrolled in training approved under this section on a full-time basis as determined by the educational institution, except that less than full-time training may be approved when the individual has a physical, mental, or emotional disability that precludes enrollment on a full-time basis.

(5) The individual must make satisfactory progress in the training as defined by the commissioner and certified by the educational institution.

(6) An individual is not eligible for training benefits under this section if he or she:

(a) Is a standby claimant who expects recall to his or her regular employer; or

(b) Has a definite recall date that is within six months of the date he or she is laid off.

(7) The following definitions apply throughout this section unless the context clearly requires otherwise.

(a) "Educational institution" means an institution of higher education as defined in RCW 28B.10.016 or an educational institution as defined in RCW 28C.04.410, including equivalent educational institutions in other states.

(b) "High-demand occupation" means an occupation with a substantial number of current or projected employment opportunities.

(c) "Training benefits" means additional benefits paid under this section.

(d) "Training program" means:

(i) An education program determined to be necessary as a prerequisite to vocational training after counseling at the educational institution in which the individual enrolls under his or her approved training program; or

(ii) A vocational training program at an educational institution that:

(A) Is targeted to training for a high-demand occupation;

(B) Is likely to enhance the individual's marketable skills and earning power; and

(C) Meets the criteria for performance developed by the workforce training and education coordinating board for the purpose of determining those training programs eligible for funding under Title I of P.L. 105-220.

"Training program" does not include any course of education primarily intended to meet the requirements of a baccalaureate or higher degree, unless the training meets specific requirements for certification, licensing, or for specific skills necessary for the occupation.

(8) Benefits shall be paid as follows:

(a) The total training benefit amount shall be fifty-two times the individual's weekly benefit amount, reduced by the total amount of
regular benefits and extended benefits paid, or deemed paid, with respect to the benefit year.

(b) The weekly benefit amount shall be the same as the regular weekly amount payable during the applicable benefit year and shall be paid under the same terms and conditions as regular benefits.

(c) Training benefits shall be paid before any extended benefits but not before any similar federally funded program. Effective July 3, 2011, training benefits shall be paid after any federally funded program.

(d) Training benefits are not payable for weeks more than two years beyond the end of the benefit year of the regular claim. However, training benefits are not payable for weeks more than three years beyond the end of the benefit year of the regular claim when individuals are eligible for benefits in accordance with RCW 50.22.010(2)(c) or (3)(c).

(9) The requirement under RCW 50.22.010(10) relating to exhausting regular benefits does not apply to an individual otherwise eligible for training benefits under this section when the individual’s benefit year ends before his or her training benefits are exhausted and the individual is eligible for a new benefit year. These individuals will have the option of remaining on the original claim or filing a new claim.

(10) Individuals who receive training benefits under RCW 50.22.150 or this section are not eligible for training benefits under this section for five years from the last receipt of training benefits.

(11) An individual eligible to receive a trade readjustment allowance under chapter 2, Title II of the trade act of 1974, as amended, shall not be eligible to receive benefits under this section for each week the individual receives such trade readjustment allowance.

(12) An individual eligible to receive emergency unemployment compensation under any federal law shall not be eligible to receive benefits under this section for each week the individual receives such compensation.

(13) All base year employers are interested parties to the approval of training and the granting of training benefits.

(14) Each local workforce development council, in cooperation with the employment security department and its labor market information division, must identify occupations and skill sets that are declining and high-demand occupations and skill sets. Each local workforce development council shall update this information annually or more frequently if needed.

(15) The commissioner shall adopt rules as necessary to implement this section.

PART III
Training Benefits

Sec. 7. RCW 50.20.099 and 2000 c 2 s 10 are each amended to read as follows:

(1) To ensure that unemployment insurance benefits are paid in accordance with RCW 50.20.098, the employment security department shall verify that an individual is eligible to work in the United States before the individual receives training benefits under RCW 50.22.150 or 50.22.155.

(2) By July 1, 2002, the employment security department shall:

(a) Develop and implement an effective method for determining, where appropriate, eligibility to work in the United States for individuals applying for unemployment benefits under this title;

(b) Review verification systems developed by federal agencies for verifying a person's eligibility to receive unemployment benefits under this title and evaluate the effectiveness of these systems for use in this state; and

(c) Report its initial findings to the legislature by September 1, 2000, and its final report by July 1, 2002.

(3) Where federal law prohibits the conditioning of unemployment benefits on a verification of an individual's status as a qualified or authorized alien, the requirements of this section shall not apply.

Sec. 8. RCW 50.22.130 and 2009 c 353 s 3 are each amended to read as follows:

It is the intent of the legislature that a training benefits program be established to provide unemployment insurance benefits to unemployed individuals who participate in training programs necessary for their reemployment.

The legislature further intends that this program serve the following goals:

(1) Retraining should be available for those unemployed individuals whose skills are no longer in demand; and

(2) (To be eligible for retraining, an individual must have a long-term attachment to the labor force).

(3) Training must enhance the individual's marketable skills and earning power; and

(4) Retraining must be targeted to high-demand occupations.

(Individuals unemployed as a result of structural changes in the economy and technological advances rendering their skills obsolete must receive the highest priority for participation in this program. It is the further intent of the legislature that individuals for whom suitable employment is available are not eligible for additional benefits while participating in training.)

The legislature further intends that funding for this program be limited by a specified maximum amount each fiscal year.

Sec. 9. RCW 50.22.155 and 2009 c 3 s 4 are each amended to read as follows:

(1) (This section applies) With respect to claims with an effective date on or after April 5, 2009((i)), and before July 1, 2012:

(2) (a) Subject to availability of funds, training benefits are available for an individual who is eligible for or has exhausted entitlement to unemployment compensation benefits when:

(i) The individual is a dislocated worker as defined in RCW 50.04.075 and, after assessment of the individual's labor market, occupation, or skills, is determined to need job-related training to find suitable employment in the individual's labor market. The assessment of demand for the individual's occupation or skill sets must be substantially based on declining occupation or skill sets and high-demand occupations identified in local labor market areas by the local workforce development councils in cooperation with the employment security department and its labor market information division; or

(ii) For claims with an effective date on or after September 7, 2009, the individual:

(A) Earned an average hourly wage in the individual's base year that is less than one hundred thirty percent of the state minimum wage((i)) and, after assessment, it is determined that the individual's earning potential will be enhanced through vocational training. The individual's average hourly wage is calculated by dividing the total wages paid by the total hours worked in the individual's base year; and

(B) Served in the United States military or the Washington national guard during the twelve-month period prior to the application date, was honorably discharged from military service or the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market;

(C) Is currently serving in the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market; or

(D) Is disabled due to an injury or illness and, after assessment, is determined to be unable to return to his or her previous occupation and to need job-related training to find suitable employment in the individual's labor market.

(3)(i) The individual must develop an individual training program that is submitted to the commissioner for approval.
within ninety days after the individual is notified by the employment security department of the requirements of this section;

((i)) (ii) The individual must enter the approved training program by one hundred twenty days after the date of the notification, unless the employment security department determines that the training is not available during the one hundred twenty days, in which case the individual enters training as soon as it is available;

((i)) (iii) The department may waive the deadlines established under this subsection for reasons deemed by the commissioner to be good cause.

((i)) (iv) The individual must make satisfactory progress in the training as defined by the commissioner and certified by the educational institution.

((i)) (v) An individual is not eligible for training benefits under this section if he or she:

((i)) (vi) Is a standby claimant who expects recall to his or her regular employer; or

((i)) (vii) Has a definite recall date that is within six months of the date he or she is laid off.

((i)) (f) The following definitions apply throughout this subsection (1) unless the context clearly requires otherwise.

((i)) (g) "Educational institution" means an institution of higher education as defined in RCW 28B.10.016 or an educational institution as defined in RCW 28C.04.410, including equivalent educational institutions in other states.

((i)) (h) "High-demand occupation" means an occupation with a substantial number of current or projected employment opportunities.

((i)) (i) "Training benefits" means additional benefits paid under this section.

((i)) (j) "Training program" means:

((i)) (A) An education program determined to be necessary as a prerequisite to vocational training after counseling at the educational institution in which the individual enrolls under his or her approved training program; or

((i)) (B) A vocational training program at an educational institution that:

((i)) (I) Is targeted to training for a high-demand occupation;

((i)) (II) Is likely to enhance the individual's marketable skills and earning power; and

((i)) (III) Meets the criteria for performance developed by the workforce training and education coordinating board for the purpose of determining those training programs eligible for funding under Title I of P.L. 105-220.

"Training program" does not include any course of education primarily intended to meet the requirements of a baccalaureate or higher degree, unless the training meets specific requirements for certification, licensing, or for specific skills necessary for the occupation.

((i)) (g) Benefits shall be paid as follows:

((i)) (I) The total training benefit amount shall be fifty-two times the individual's weekly benefit amount, reduced by the total amount of regular benefits and extended benefits paid, or deemed paid, with respect to the benefit year.

((i)) (II) The weekly benefit amount shall be the same as the regular weekly amount payable during the applicable benefit year and shall be paid under the same terms and conditions as regular benefits.

((i)) (III) Training benefits shall be paid before any extended benefits but not before any similar federally funded program.

Effective July 3, 2011, training benefits shall be paid after any federally funded program.

((i)) (iv) Training benefits are not payable for weeks more than two years beyond the end of the benefit year of the regular claim. However, training benefits are not payable for weeks more than three years beyond the end of the benefit year of the regular claim when individuals are eligible for benefits in accordance with RCW 50.22.010(2)(c) or (3)(c).

((i)) (h) The requirement under RCW 50.22.010(10) relating to exhausting regular benefits does not apply to an individual otherwise eligible for training benefits under this section when the individual's benefit year ends before his or her training benefits are exhausted and the individual is eligible for a new benefit year. These individuals will have the option of remaining on the original claim or filing a new claim.

((i)) (j) Individuals who receive training benefits under RCW 50.22.150 or this section are not eligible for training benefits under this section for five years from the last receipt of training benefits.

((i)) (k) An individual eligible to receive a trade readjustment allowance under chapter 2, Title II of the trade act of 1974, as amended, shall not be eligible to receive benefits under this section for each week the individual receives such trade readjustment allowance.

((i)) (l) An individual eligible to receive emergency unemployment compensation under any federal law shall not be eligible to receive benefits under this section for each week the individual receives such compensation.

((i)) (m) All base year employers are interested parties to the approval of training and the granting of training benefits.

((i)) (n) Each local workforce development council, in cooperation with the employment security department and its labor market information division, must identify occupations and skill sets that are declining and high-demand occupations and skill sets. Each local workforce development council shall update this information annually or more frequently if needed.

((i)) (o) With respect to claims with an effective date on or after July 1, 2012:

(a) Training benefits are available for an individual who is eligible for or has exhausted entitlement to unemployment compensation benefits when:

(i) The individual is a dislocated worker as defined in RCW 50.04.075 and, after assessment of the individual's labor market, occupation, or skills, is determined to need job-related training to find suitable employment in the individual's labor market. The assessment of demand for the individual's occupation or skill sets must be substantially based on declining occupation or skill sets and high-demand occupations identified in local labor market areas by the local workforce development councils in cooperation with the employment security department and its labor market information division; or

(ii) Subject to the availability of funds as specified in RCW 50.22.140.

(1) Earned an average hourly wage in the individual's base year that is less than one hundred thirty percent of the state minimum wage and, after assessment, it is determined that the individual's earning potential will be enhanced through vocational training. The individual's average hourly wage is calculated by dividing the total wages paid by the total hours worked in the individual's base year;

(B) Served in the United States military or the Washington national guard during the twelve-month period prior to the application date, was honorably discharged from military service or the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market;

(C) Is currently serving in the Washington national guard and, after assessment, is determined to need job-related training to find suitable employment in the individual's labor market; or
(D) Is disabled due to an injury or illness and, after assessment, is determined to be unable to return to his or her previous occupation and to need job-related training to find suitable employment in the individual's labor market.

(b)(i) Except for an individual eligible under (a)(i) of this subsection, the individual must develop an individual training plan that is submitted to the commissioner for approval within ninety days after the individual is notified by the employment security department of the requirements of this section;

(ii) Except for an individual eligible under (a)(i) of this subsection, the individual must enroll in the approved training program by one hundred twenty days after the date of the notification, unless the employment security department determines that the training is not available during the one hundred twenty days, in which case the individual enters training as soon as it is available;

(iii) An individual eligible under (a)(i) of this subsection must submit an individual training plan and enroll in the approved training program prior to the end of the individual's benefit year;

(iv) The department may waive the deadlines established under (b)(i) and (ii) of this subsection for reasons deemed by the commissioner to be good cause.

(c) Except for an individual eligible under (a)(i) of this subsection, the individual must be enrolled in training approved under this section on a full-time basis as determined by the educational institution, except that less than full-time training may be approved when the individual has a physical, mental, or emotional disability that precludes enrollment on a full-time basis;

(d) The individual must make satisfactory progress in the training as defined by the commissioner and certified by the educational institution.

(e) An individual is not eligible for training benefits under this section if he or she:

(i) Is a standby claimant who expects recall to his or her regular employer; or

(ii) Has a definite recall date that is within six months of the date he or she is laid off.

(f) The following definitions apply throughout this subsection (2) unless the context clearly requires otherwise:

(i) "Educational institution" means an institution of higher education as defined in RCW 28B.10.016 or an educational institution as defined in RCW 28C.04.410, including equivalent educational institutions in other states;

(ii) "High-demand occupation" means an occupation with a substantial number of current or projected employment opportunities;

(iii) "Training benefits" means additional benefits paid under this section.

(iv) "Training program" means:

(A) An education program determined to be necessary as a prerequisite to vocational training after counseling at the educational institution in which the individual enrolls under his or her approved training program; or

(B) A vocational training program at an educational institution that:

(I) Is targeted to training for a high-demand occupation;

(II) Is likely to enhance the individual's marketable skills and earning power; and

(III) Meets the criteria for performance developed by the workforce training and education coordinating board for the purpose of determining those training programs eligible for funding under Title I of P.L. 105-220.

"Training program" does not include any course of education primarily intended to meet the requirements of a baccalaureate or higher degree, unless the training meets specific requirements for certification, licensing, or for specific skills necessary for the occupation.

(g) Available benefits shall be paid as follows:

(i) The total training benefit amount shall be fifty-two times the individual's weekly benefit amount, reduced by the total amount of regular benefits paid, or deemed paid, with respect to the benefit year.

(ii) The weekly benefit amount shall be the same as the regular weekly amount payable during the applicable benefit year and shall be paid under the same terms and conditions as regular benefits.

(iii) Training benefits shall be paid after any federally funded program.

(iv) Training benefits are not payable for weeks more than two years beyond the end of the benefit year of the regular claim. However, training benefits are not payable for weeks more than three years beyond the end of the benefit year of the regular claim when individuals are eligible for benefits in accordance with RCW 50.22.010 (2)(c) or (3)(c).

(h) The requirement under RCW 50.22.010(10) relating to exhausting regular benefits does not apply to an individual otherwise eligible for training benefits under this section when the individual's benefit year ends before his or her training benefits are exhausted and the individual is eligible for a new benefit year. These individuals will have the option of remaining on the original claim or filing a new claim.

(i) Except for individuals eligible under (a)(i) of this subsection, individuals who receive training benefits under RCW 50.22.150 or this section are not eligible for training benefits under this section for five years from the last receipt of training benefits.

(j) An individual eligible to receive a trade readjustment allowance under chapter 2, Title II of the trade act of 1974, as amended, shall not be eligible to receive benefits under this section for each week the individual receives such trade readjustment allowance.

(k) An individual eligible to receive emergency unemployment compensation under any federal law shall not be eligible to receive benefits under this section for each week the individual receives such compensation.

(l) All base year employers are interested parties to the approval of training and the granting of training benefits.

(m) Each local workforce development council, in cooperation with the employment security department and its labor market information division, must identify occupations and skill sets that are declining and high-demand occupations and skill sets. Each local workforce development council shall update this information annually or more frequently if needed.

(3) The commissioner shall adopt rules as necessary to implement this section.

Sec. 10. RCW 50.22.140 and 2002 c 149 s 1 are each amended to read as follows:

(1) The employment security department is authorized to pay training benefits under RCW 50.22.150 and 50.22.155, but may not obligate more than thirty-four million dollars for training benefits. For the two fiscal years ending June 30, 2002, the commissioner may not obligate more than twenty million dollars for training benefits. For the two fiscal years ending June 30, 2002, the commissioner may not obligate more than sixty million dollars for training benefits. For the two fiscal years ending June 30, 2002, the commissioner may not obligate more than eighty million dollars for training benefits. (For each fiscal year beginning after June 30, 2002, the commissioner may not obligate more than twenty million dollars for training benefits.) Any funds not obligated in one fiscal year may be carried forward to the next fiscal year. (For each fiscal year beginning after June 30, 2002.) The commissioner may not obligate more than twenty million dollars annually in addition to any funds carried forward from previous fiscal years. (The department shall develop a process to ensure that expenditures do not exceed available funds and to prioritize access to funds when again available.)

(2) (a) After June 30, 2002, in addition to the amounts that may be obligated under subsection (1) of this section, the commissioner may obligate up to thirty-four million dollars for training benefits under RCW 50.22.150 for individuals in the aerospace industry assigned the standard industrial classification code "332" or the North American
industry classification system code "326111" whose claims are filed before January 5, 2003. The funds provided in this subsection must be fully obligated for training benefits for these individuals before the funds provided in subsection (1) of this section may be obligated for training benefits for these individuals. Any amount of the funds specified in this subsection that is not obligated as permitted may not be carried forward to any future period.) If the amount available for training benefits at any time is equal to or less than five million dollars, funds will no longer be obligated for individuals in RCW 50.22.155(2)(a)(ii). If funds are exhausted, training benefits will continue to be obligated to dislocated workers only under RCW 50.22.155(2)(a)(i). The following year's obligation for training benefits will be reduced by a corresponding amount.

Sec. 11. RCW 50.24.014 and 2009 c 566 s 2 are each amended to read as follows:

(1)(a) A separate and identifiable account to provide for the financing of special programs to assist the unemployed is established in the administrative contingency fund. All money in this account shall be expended solely for the purposes of this title and for no other purposes whatsoever. Contributions to this account shall accrue and become payable by each employer, except employers as described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, at a basic rate of two one-hundredths of one percent. The amount of wages subject to tax shall be determined under RCW 50.24.010.

(b) A separate and identifiable account is established in the administrative contingency fund for financing the employment security department's administrative costs under RCW 50.22.150 and 50.22.155 and the costs under RCW 50.22.150(11) and 50.22.155((44)) (1)(m) and (2)(m). All money in this account shall be expended solely for the purposes of this title and for no other purposes whatsoever. Contributions to this account shall accrue and become payable by each employer, except employers as described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, those employers who are described under RCW 50.22.155(2)(a)(ii). The following year's obligation for training benefits will be reduced by a corresponding amount.

Sec. 12. RCW 50.04.075 and 1984 c 181 s 1 are each amended to read as follows:

(1) With respect to claims with an effective date prior to July 1, 2012, "dislocated worker" means any individual who:

- Has been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of employment, or has separated from a declining occupation;
- Has been involuntarily and indefinitely separated from employment; or
- Is unemployed in any week.

Sec. 13. RCW 50.20.130 and 2010 c 8 s 13022 are each amended to read as follows:

(1) If an eligible individual is available for work for less than a full week, he or she shall be paid his or her weekly benefit amount reduced by one-seventh of such amount for each day that he or she is unavailable for work: PROVIDED, That if he or she is unavailable for work for three days or more of a week, he or she shall be considered unavailable for the entire week.

(2) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his or her weekly benefit amount less:

- Fifty percent of the remuneration (if any) payable to him or her with respect to such week which is in excess of five dollars; or
- For any weeks in which the individual is receiving training benefits as provided in RCW 50.22.155(2), half of that part of the remuneration (if any) payable to him or her with respect to such week which is in excess of five dollars. (Such benefits)

(3) The benefits in this section, if not a multiple of one dollar, shall be reduced to the next lower multiple of one dollar.

Sec. 14. RCW 50.29.021 and 2010 c 25 s 1 are each amended to read as follows:

(1) This section applies to benefits charged to the experience rating accounts of employers for claims that have an effective date on or after January 4, 2004.

(2) An experience rating account shall be established and maintained for each employer, except employers as described in RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, based on existing records of the employment security department.

(b) Benefits paid to an eligible individual shall be charged to the experience rating accounts of each of such individual's employers during the individual's base year in the same ratio that the wages paid by each employer to the individual during the base year bear to the wages paid by all employers to that individual during that base year, except as otherwise provided in this section.

(c) When the eligible individual's separating employer is a covered contribution paying base year employer, benefits paid to the eligible individual shall be charged to the experience rating account of only the individual's separating employer if the individual qualifies for benefits under:

(i) RCW 50.20.050 (1)(b)(i) or (2)(b)(i), as applicable, and became unemployed after having worked and earned wages in the bona fide work; or
(ii) RCW 50.20.050 (1)(b) through (x) or (2)(b) through (x).

(3) The legislature finds that certain benefit payments, in whole or in part, should not be charged to the experience rating accounts of employers except those employers described in RCW 50.44.010,
50.44.030, and 50.50.030 who have properly elected to make payments in lieu of contributions, taxable local government employers described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, as follows:

(a) Benefits paid to any individual later determined to be ineligible shall not be charged to the experience rating account of any contribution paying employer. However, when a benefit claim becomes invalid due to an amendment or adjustment of a report where the employer failed to report or inaccurately reported hours worked or remuneration paid, or both, all benefits paid will be charged to the experience rating account of the contribution paying employer or employers that originally filed the incomplete or inaccurate report or reports. An employer who reimburses the trust fund for benefits paid to workers and who fails to report or inaccurately reported hours worked or remuneration paid, or both, shall reimburse the trust fund for all benefits paid that are based on the originally filed incomplete or inaccurate report or reports.

(b) Benefits paid to an individual filing under the provisions of chapter 50.06 RCW shall not be charged to the experience rating account of any contribution paying employer only if:

(i) The individual files under RCW 50.06.020(1) after receiving crime victims’ compensation for a disability resulting from a non-work-related occurrence;

(ii) The individual files under RCW 50.06.020(2).

(c) Benefits paid which represent the state’s share of benefits payable as extended benefits defined under RCW 50.22.010(6) shall not be charged to the experience rating account of any contribution paying employer.

(d) In the case of individuals who requalify for benefits under RCW 50.20.050 or 50.20.060, benefits based on wage credits earned prior to the disqualifying separation shall not be charged to the experience rating account of the contribution paying employer from whom that separation took place.

(e) Benefits paid to an individual who qualifies for benefits under RCW 50.20.050 (1)(b) (iv) or (xi) or (2)(b) (iv) or (xi), as applicable, shall not be charged to the experience rating account of any contribution paying employer.

(f) With respect to claims with an effective date on or after the first Sunday following April 22, 2005, benefits paid that exceed the benefits that would have been paid if the weekly benefit amount for the claim had been determined as one percent of the total wages paid in the individual’s base year shall not be charged to the experience rating account of any contribution paying employer. This subsection (3)(f) does not apply to the calculation of contribution rates under RCW 50.29.025 for rate year 2010 and thereafter.

(g) The forty-five dollar increase paid as part of an individual’s weekly benefit amount as provided in RCW 50.20.1201 and the twenty-five dollar increase paid as part of an individual’s weekly benefit amount as provided in section 2 of this act shall not be charged to the experience rating account of any contribution paying employer.

(h) With respect to claims where the minimum amount payable weekly is increased to one hundred fifty-five dollars pursuant to RCW 50.20.1201(3), benefits paid that exceed the benefits that would have been paid if the minimum amount payable weekly had been calculated pursuant to RCW 50.20.120 shall not be charged to the experience rating account of any contribution paying employer.

(i) Upon approval of an individual’s training benefits plan submitted in accordance with RCW 50.22.155(2), an individual is considered enrolled in training, and regular benefits beginning with the week of approval shall not be charged to the experience rating account of any contribution paying employer.

(4)(a) A contribution paying base year employer, not otherwise eligible for relief of charges for benefits under this section, may receive such relief if the benefit charges result from payment to an individual who:

(i) Last left the employ of such employer voluntarily for reasons not attributable to the employer;

(ii) Was discharged for misconduct or gross misconduct connected with his or her work not a result of inability to meet the minimum job requirements;

(iii) Is unemployed as a result of closure or severe curtailment of operation at the employer’s plant, building, worksite, or other facility. This closure must be for reasons directly attributable to a catastrophic occurrence such as fire, flood, or other natural disaster;

(iv) Continues to be employed on a regularly scheduled permanent part-time basis by a base year employer and who at some time during the base year was concurrently employed and subsequently separated from at least one other base year employer. Benefit charge relief ceases when the employment relationship between the employer requesting relief and the claimant is terminated. This subsection does not apply to shared work employers under chapter 50.06 RCW; or

(v) Was hired to replace an employee who is a member of the military reserves or National Guard and was called to federal active military service by the president of the United States and is subsequently laid off when that employee is reemployed by their employer upon release from active duty within the time provided for reemployment in RCW 73.16.035.

(b) The employer requesting relief of charges under this subsection must request relief in writing within thirty days following mailing to the last known address of the notification of the valid initial determination of such claim, stating the date and reason for the separation or the circumstances of continued employment. The commissioner, upon investigation of the request, shall determine whether relief should be granted.

Sec. 15. RCW 50.22.157 and 2009 c 3 s 6 are each amended to read as follows:

(1) The employment security department shall report to the appropriate committees of the legislature by December 1, 2009, and every year thereafter, on the status of the training benefits program and the resulting outcomes. The report shall include a survey based assessment of the employment outcomes for program participants within the previous three years. The department shall also include in its report:

(1) A demographic analysis of participants in the training benefits program under this section including the number of claimants per North American industry classification system code and the gender, race, age, and geographic representation of participants;

(2) The duration of training benefits claimed per claimant;

(3) An analysis of the training provided to participants including the occupational category supported by the training, whether the training received would lead to employment in a high demand occupation, whether a degree or certificate is required in that occupational category to obtain employment, those participants who complete training in relationship to those that do not, the number of participants who take courses in basic language, reading, or writing skills to improve their employability, and the reasons for noncompletion of approved training programs;

(4) The employment and wage history of participants, including the pretraining and posttraining wage and the reasons for the resulting outcomes. The department shall report to the employment security department upon investigation of the request, shall determine whether relief should be granted.
(g) The total funds obligated for training benefits, and the net balance remaining to be obligated subject to the restrictions of RCW 50.22.140.

(2) The joint legislative audit and review committee is directed to conduct a thorough review and evaluation of the training benefits program on the following schedule:

(a) Three years after the implementation of the training benefits portion of this act and every five years thereafter; and

(b) In any year in which the employment security department is required to suspend obligation of training benefits funds pursuant to RCW 50.22.140(2), or total expenditures exceed twenty-five million dollars.

(3) As part of the review conducted under subsection (2) of this section, the joint legislative audit and review committee shall:

(a) Assess whether the program is complying with legislative intent;

(b) Assess whether the program is effective;

(c) Assess whether the program is operating in an efficient and economical manner which results in optimum performance; and

(d) Make recommendations on how to improve the training benefits program.

(4) After a review of the training benefits program has been completed by the joint legislative audit and review committee, the appropriate committees of the legislature must hold a public hearing on the review and consider potential changes to improve the program.

PART IV
Social Tax

Sec. 16. RCW 50.29.025 and 2010 c 72 s 1 are each amended to read as follows:

(1) For contributions assessed for rate years 2005 through 2009, the contribution rate for each employer subject to contributions under RCW 50.24.010 shall be the sum of the array calculation factor rate and the graduated social cost factor rate determined under this subsection, and the solvency surcharge determined under RCW 50.29.041, if any.

(a) The array calculation factor rate shall be determined as follows:

(i) An array shall be prepared, listing all qualified employers in ascending order of their benefit ratios. The array shall show for each qualified employer: (A) Identification number; (B) benefit ratio; and (C) taxable payrolls for the four consecutive calendar quarters immediately preceding the computation date and reported to the employment security department by the cut-off date.

(ii) Each employer in the array shall be assigned to one of forty rate classes according to his or her benefit ratio as follows, and, except as provided in RCW 50.29.026, the array calculation factor rate for each employer in the array shall be the rate specified in the rate class to which the employer has been assigned:

<table>
<thead>
<tr>
<th>Benefit Ratio</th>
<th>Rate Class</th>
<th>Rate (percent)</th>
</tr>
</thead>
<tbody>
<tr>
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0.007500 0.008750 8 0.88
0.008750 0.010000 9 1.00
0.010000 0.011250 10 1.15
0.011250 0.012500 11 1.30
0.012500 0.013750 12 1.45
0.013750 0.015000 13 1.60
0.015000 0.016250 14 1.75
0.016250 0.017500 15 1.90
0.017500 0.018750 16 2.05
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0.020000 0.021250 18 2.35
0.021250 0.022500 19 2.50
0.022500 0.023750 20 2.65
0.023750 0.025000 21 2.80
0.025000 0.026250 22 2.95
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0.047500 0.050000 36 5.05
0.050000 0.052500 37 5.20
0.052500 0.055000 38 5.30
0.055000 0.057500 39 5.35
(b) The graduated social cost factor rate shall be determined as follows:
(i) (A) Except as provided in (b)(ii)(B) and (C) of this subsection, the commissioner shall calculate the flat social cost factor for a rate year by dividing the total social cost by the total taxable payroll. The division shall be carried to the second decimal place with the remaining fraction disregarded unless it amounts to five hundredths or more, in which case the second decimal place shall be rounded to the next higher digit. The flat social cost factor shall be expressed as a percentage.

(B) If, on the cut-off date, the balance in the unemployment compensation fund is determined by the commissioner to be an amount that will provide more than ten months of unemployment benefits, the commissioner shall calculate the flat social cost factor for the rate year immediately following the cut-off date by reducing the total social cost by the dollar amount that represents the number of months for which the balance in the unemployment compensation fund on the cut-off date will provide benefits above ten months and dividing the result by the total taxable payroll. However, the calculation under this subsection (1)(b)(i)(B) for a rate year may not result in a flat social cost factor that is more than four-tenths lower than the calculation under (b)(i)(A) of this subsection for that rate year.

For the purposes of this subsection, the commissioner shall determine the number of months of unemployment benefits in the unemployment compensation fund using the benefit cost rate for the rate year immediately following the cut-off date or a period of consecutive calendar years immediately preceding the cut-off date that includes three recessions, if longer.

(C) The minimum flat social cost factor calculated under this subsection (1)(b) shall be six-tenths of one percent, except that if the balance in the unemployment compensation fund is determined by the commissioner to be an amount that will provide:
(I) At least twelve months but less than fourteen months of unemployment benefits, the minimum shall be five-tenths of one percent; or
(II) At least fourteen months of unemployment benefits, the minimum shall be five-tenths of one percent, except that, for employers in rate class 1, the minimum shall be forty-five hundredths of one percent.

(ii) (A) Except as provided in (b)(ii)(B) of this subsection, the graduated social cost factor rate for each employer in the array is the flat social cost factor multiplied by the percentage specified as follows for the rate class to which the employer has been assigned in (a)(ii) of this subsection, except that the sum of an employer's array calculation factor rate and the graduated social cost factor rate may not exceed six and five-tenths percent or, for employers whose North American industry classification system code is within "111," "112," "1141," "115," "3114," "3117," "42448," or "49312," the graduated social cost factor rate is zero.

(ii) (B) The social cost factor rate shall be determined as follows:
(I) At least twelve months but less than fourteen months of unemployment benefits charged and contributions paid in the three fiscal years subject to tax, as determined under RCW 50.20.1201, for all employers in the four consecutive calendar quarters immediately preceding the computation date and reported to the employment security department by the cut-off date.

(c) For employers who do not meet the definition of "qualified employer" for contributions assessed beginning July 1, 2005, through December 31, 2007, for employers whose North American industry classification system code is "111," "112," "1141," "115," "3114," "3117," "42448," or "49312," the graduated social cost factor rate is zero.

(iii) For the purposes of this section:
(A) "Total social cost" means the amount calculated by subtracting the array calculation factor contributions paid by all employers with respect to the four consecutive calendar quarters immediately preceding the computation date and paid to the employment security department by the cut-off date from the total unemployment benefits paid to claimants in the same four consecutive calendar quarters. To calculate the flat social cost factor for rate year 2005, the commissioner shall calculate the total social cost using the array calculation factor contributions that would have been required to be paid by all employers in the calculation period if (a) of this subsection had been in effect for the relevant period. To calculate the flat social cost factor for rate years 2010 and 2011, the fourth dollar increase paid as part of an individual's weekly benefit amount as provided in RCW 50.20.1201 shall not be considered for purposes of calculating the total unemployment benefits paid to claimants in the four consecutive calendar quarters immediately preceding the computation date.

(B) "Total taxable payroll" means the total amount of wages subject to tax, as determined under RCW 50.24.010, for all employers in the four consecutive calendar quarters immediately preceding the computation date and reported to the employment security department by the cut-off date.

(c) For employers who do not meet the definition of "qualified employer" for contributions assessed beginning July 1, 2005, through December 31, 2007, for employers whose North American industry classification system code is "111," "112," "1141," "115," "3114," "3117," "42448," or "49312," the graduated social cost factor rate is zero.

(iii) For the purposes of this section:
(A) "Total social cost" means the amount calculated by subtracting the array calculation factor contributions paid by all employers with respect to the four consecutive calendar quarters immediately preceding the computation date and paid to the employment security department by the cut-off date from the total unemployment benefits paid to claimants in the same four consecutive calendar quarters. To calculate the flat social cost factor for rate year 2005, the commissioner shall calculate the total social cost using the array calculation factor contributions that would have been required to be paid by all employers in the calculation period if (a) of this subsection had been in effect for the relevant period. To calculate the flat social cost factor for rate years 2010 and 2011, the fourth dollar increase paid as part of an individual's weekly benefit amount as provided in RCW 50.20.1201 shall not be considered for purposes of calculating the total unemployment benefits paid to claimants in the four consecutive calendar quarters immediately preceding the computation date.
in the array, other than employers in (c) of this subsection, who were first subject to contributions in the calendar year ending three years prior to the computation date. The commissioner shall calculate the history ratio by dividing the total amount of benefits charged by the total amount of contributions paid in this three-year period by these employers. The division shall be carried to the second decimal place with the remaining fraction disregarded unless it amounts to five one-hundredths or more, in which case the second decimal place shall be rounded to the next higher digit. The commissioner shall determine the history factor according to the history ratio as follows:

<table>
<thead>
<tr>
<th>History Ratio</th>
<th>History Factor (percent)</th>
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<tbody>
<tr>
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<td>(II)</td>
<td>.95</td>
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<td>(III)</td>
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</table>

(2) For contributions assessed in rate year 2010 and thereafter, the contribution rate for each employer subject to contributions under RCW 50.24.010 shall be the sum of the array calculation factor rate and the graduated social cost factor rate determined under this subsection, and the solvency surcharge determined under RCW 50.29.041, if any.

(a) The array calculation factor rate shall be determined as follows:

(i) An array shall be prepared, listing all qualified employers in ascending order of their benefit ratios. The array shall show for each qualified employer: (A) Identification number; (B) benefit ratio; and (C) taxable payrolls for the four consecutive calendar quarters immediately preceding the computation date and reported to the employment security department by the cut-off date.

(ii) Each employer in the array shall be assigned to one of forty rate classes according to his or her benefit ratio as follows, and, except as provided in RCW 50.29.026, the array calculation factor rate for each employer in the array shall be the rate specified in the rate class to which the employer has been assigned:

<table>
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<th>Rate (percent)</th>
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(b) The graduated social cost factor rate shall be determined as follows:
(i)(A) Except as provided in (b)(ii)(B) and (C) of this subsection, the commissioner shall calculate the flat social cost factor for a rate year by dividing the total social cost by the total taxable payroll. The division shall be carried to the second decimal place with the remaining fraction disregarded unless it amounts to five hundredths or more, in which case the second decimal place shall be rounded to the next higher digit. The flat social cost factor shall be expressed as a percentage.

(B)(i) If, on the cut-off date, the balance in the unemployment compensation fund is determined by the commissioner to be an amount that will provide more than ten months of unemployment benefits, the commissioner shall calculate the flat social cost factor for the rate year immediately following the cut-off date by reducing the total social cost by the dollar amount that represents the number of months for which the balance in the unemployment compensation fund on the cut-off date will provide benefits above ten months and dividing the result by the total taxable payroll. However, the calculation under this subsection (2)(b)(i)(B) for a rate year may not result in a flat social cost factor that is more than four-tenths lower than the calculation under (b)(ii)(A) of this subsection for that rate year. For rate year 2011 and thereafter, the calculation may not result in a flat social cost factor that is more than one and twenty-two and one-hundredths percent.

(ii) If, on the cut-off date, the balance in the unemployment compensation fund is determined by the commissioner to be an amount that will provide ten months of unemployment benefits or less, the flat social cost factor for the rate year immediately following the cut-off date may not increase by more than fifty percent over the previous rate year or may not exceed one and twenty-one and one-hundredths percent, whichever is greater.

(iii) For the purposes of this subsection (2)(b), the commissioner shall determine the number of months of unemployment benefits in the unemployment compensation fund using the benefit cost rate for the average of the three highest calendar benefit cost rates in the twenty consecutive completed calendar years immediately preceding the cut-off date or a period of consecutive calendar years immediately preceding the cut-off date that includes three recessions, if longer. The twenty-five dollar increase paid as part of an individual's weekly benefit amount as provided in section 2 of this act shall not be considered in calculating the benefit cost rate when determining the number of months of unemployment benefits in the unemployment compensation fund.

(C) The minimum flat social cost factor calculated under this subsection (2)(b) shall be six-tenths of one percent, except that if the balance in the unemployment compensation fund is determined by the commissioner to be an amount that will provide:

(I) At least ten months but less than eleven months of unemployment benefits, the minimum shall be five-tenths of one percent; or

(II) At least eleven months but less than twelve months of unemployment benefits, the minimum shall be forty-five hundredths of one percent; or

(III) At least twelve months but less than thirteen months of unemployment benefits, the minimum shall be four-tenths of one percent; or

(IV) At least thirteen months but less than fifteen months of unemployment benefits, the minimum shall be thirty-five hundredths of one percent; or

(V) At least fifteen months but less than seventeen months of unemployment benefits, the minimum shall be twenty-five hundredths of one percent; or

(VI) At least seventeen months but less than eighteen months of unemployment benefits, the minimum shall be fifteen hundredths of one percent; or

(VII) At least eighteen months of unemployment benefits, the minimum shall be fifteen hundredths of one percent through rate year 2011 and shall be zero thereafter.

(ii)(A) For rate years through 2010, the graduated social cost factor rate for each employer in the array is the flat social cost factor multiplied by the percentage specified as follows for the rate class to which the employer has been assigned in (a)(ii) of this subsection, except that the sum of an employer's array calculation factor rate and the graduated social cost factor rate may not exceed six percent or, for employers whose North American Industry classification system code is within "111," "112," "1141," "115," "3114," "3117," "42448," or "49312," may not exceed five and four-tenths percent:

- (I) Rate class 1 - 78 percent;
- (II) Rate class 2 - 82 percent;
- (III) Rate class 3 - 86 percent;
- (IV) Rate class 4 - 90 percent;
- (V) Rate class 5 - 94 percent;
- (VI) Rate class 6 - 98 percent;
- (VII) Rate class 7 - 102 percent;
- (VIII) Rate class 8 - 106 percent;
- (IX) Rate class 9 - 110 percent;
- (X) Rate class 10 - 114 percent;
- (XI) Rate class 11 - 118 percent; and
- (XII) Rate classes 12 through 40 - 120 percent.

(B) For rate years 2011 and thereafter, the graduated social cost factor rate for each employer in the array is the flat social cost factor multiplied by the percentage specified as follows for the rate class to which the employer has been assigned in (a)(ii) of this subsection, except that the sum of an employer's array calculation factor rate and the graduated social cost factor rate may not exceed six percent or, for employers whose North American Industry classification system code is within "111," "112," "1141," "115," "3114," "3117," "42448," or "49312," may not exceed five and four-tenths percent:

- (I) Rate class 1 - 78 percent;
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- (IV) Rate class 4 - 90 percent;
- (V) Rate class 5 - 94 percent;
- (VI) Rate class 6 - 98 percent;
- (VII) Rate class 7 - 102 percent;
- (VIII) Rate class 8 - 106 percent;
- (IX) Rate class 9 - 110 percent;
- (X) Rate class 10 - 114 percent;
- (XI) Rate class 11 - 118 percent; and
- (XII) Rate classes 12 through 40 - 120 percent.

(ii)(A) For rate years through 2010, the graduated social cost factor rate for each employer in the array is the flat social cost factor multiplied by the percentage specified as follows for the rate class to which the employer has been assigned in (a)(ii) of this subsection, except that the sum of an employer's array calculation factor rate and the graduated social cost factor rate may not exceed six percent or, for employers whose North American Industry classification system code is within "111," "112," "1141," "115," "3114," "3117," "42448," or "49312," may not exceed five and four-tenths percent:

- (I) Rate class 1 - 78 percent;
- (II) Rate class 2 - 82 percent;
- (III) Rate class 3 - 86 percent;
- (IV) Rate class 4 - 90 percent;
- (V) Rate class 5 - 94 percent;
- (VI) Rate class 6 - 98 percent;
- (VII) Rate class 7 - 102 percent;
- (VIII) Rate class 8 - 106 percent;
- (IX) Rate class 9 - 110 percent;
- (X) Rate class 10 - 114 percent;
- (XI) Rate class 11 - 118 percent; and
- (XII) Rate classes 12 through 40 - 120 percent.

(B) For rate years 2011 and thereafter, the graduated social cost factor rate for each employer in the array is the flat social cost factor multiplied by the percentage specified as follows for the rate class to which the employer has been assigned in (a)(ii) of this subsection, except that the sum of an employer's array calculation factor rate and the graduated social cost factor rate may not exceed six percent or, for employers whose North American Industry classification system code is within "111," "112," "1141," "115," "3114," "3117," "42448," or "49312," may not exceed five and four-tenths percent:

- (I) Rate class 1 - 78 percent;
- (II) Rate class 2 - 82 percent;
- (III) Rate class 3 - 86 percent;
- (IV) Rate class 4 - 90 percent;
- (V) Rate class 5 - 94 percent;
- (VI) Rate class 6 - 98 percent;
- (VII) Rate class 7 - 102 percent;
- (VIII) Rate class 8 - 106 percent;
- (IX) Rate class 9 - 110 percent;
- (X) Rate class 10 - 114 percent;
- (XI) Rate class 11 - 118 percent; and
- (XII) Rate classes 12 through 40 - 120 percent.

(iii) For the purposes of this section:

(A) "Total social cost" means the amount calculated by subtracting the array calculation factor contributions paid by all employers with respect to the four consecutive calendar quarters immediately preceding the cut-off date and paid to the employment security department by the cut-off date from the total unemployment benefits paid to claimants in the same four consecutive calendar quarters. To calculate the flat social cost factor rate for rate years 2012 and 2013, the twenty-five dollar increase paid as part of an individual's weekly benefit amount as provided in section 2 of this act shall not be considered for purposes of calculating the total
unemployment benefits paid to claimants in the four consecutive calendar quarters immediately preceding the computation date.

   (B) "Total taxable payroll" means the total amount of wages subject to tax, as determined under RCW 50.24.010, for all employers in the four consecutive calendar quarters immediately preceding the computation date and reported to the employment security department by the cut-off date.

   (c) For employers who do not meet the definition of "qualified employer" by reason of failure to pay contributions when due:

   (i) For rate years through 2010:

   (A) The array calculation factor rate shall be two-tenths higher than that in rate class 40, except employers who have an approved agency-deferred payment contract by September 30th of the previous rate year. If any employer with an approved agency-deferred payment contract fails to make any of the succeeding deferred payments or fails to submit any succeeding tax report and payment in a timely manner, the employer's tax rate shall immediately revert to an array calculation factor rate two-tenths higher than that in rate class 40; and

   (B) The social cost factor rate shall be the social cost factor rate assigned to rate class 40 under (b)(ii)(A) of this subsection.

   (ii) For rate years 2011 and thereafter:

   (A) For an employer who does not enter into an approved agency-deferred payment contract as described in (c)(ii)(A)(II) or (III) of this subsection, the array calculation factor rate shall be the rate it would have been if the employer had not been delinquent in payment plus an additional one percent or, if the employer is delinquent in payment for a second or more consecutive year, an additional two percent;

   (II) For an employer who enters an approved agency-deferred payment contract after September 30th of the previous rate year, but within thirty days of the date the department sent its first tax rate notice, the array calculation factor rate shall be the rate it would have been if the employer had not been delinquent in payment;

   (III) For an employer who enters an approved agency-deferred payment contract after September 30th of the previous rate year, but within thirty days of the date the department sent its first tax rate notice, the array calculation factor rate shall be the rate it would have been if the employer had not been delinquent in payment plus an additional one-half of one percent or, if the employer is delinquent in payment for a second or more consecutive year, an additional one and one-half percent;

   (IV) For an employer who enters an approved agency-deferred payment contract as described in (c)(ii)(A)(II) or (III) of this subsection, but who fails to make any one of the succeeding deferred payments or fails to submit any succeeding tax report and payment in a timely manner, the array calculation factor rate shall immediately revert to the applicable array calculation factor rate under (c)(ii)(A)(I) of this subsection; and

   (B) The social cost factor rate shall be the social cost factor rate assigned to rate class 40 under (b)(ii)(B) of this subsection.

   (d) For all other employers not qualified to be in the array:

   (i) The array calculation factor rate shall be a rate equal to the average industry array calculation factor rate as determined by the commissioner, multiplied by the history factor, but not less than one percent or more than the array calculation factor rate in rate class 40;

   (ii) The social cost factor rate shall be a rate equal to the average industry social cost factor rate as determined by the commissioner, multiplied by the history factor, but not more than the social cost factor rate assigned to rate class 40 for the relevant year under (b)(ii)(A) or (B) of this subsection; and

   (iii) The history factor shall be based on the total amounts of benefits charged and contributions paid in the three fiscal years ending prior to the computation date by employers not qualified to be in the array, other than employers in (c) of this subsection, who were first subject to contributions in the calendar year ending three years prior to the computation date. The commissioner shall calculate the history ratio by dividing the total amount of benefits charged by the total amount of contributions paid in this three-year period by these employers. The division shall be carried to the second decimal place with the remaining fraction disregarded unless it amounts to five one-hundredths or more, in which case the second decimal place shall be rounded to the next higher digit. The commissioner shall determine the history factor according to the history ratio as follows:

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<td>.95</td>
<td>100</td>
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<tr>
<td>1.05</td>
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</tr>
</tbody>
</table>

   (3) Assignment of employers by the commissioner to industrial classification, for purposes of this section, shall be in accordance with established classification practices found in the North American industry classification system code.

PART V

Miscellaneous

NEW SECTION. Sec. 17. A new section is added to chapter 43.215 RCW to read as follows:

For the working connections child care program, the department shall not count the twenty-five dollar increase paid as part of an individual's weekly benefit amount as provided in section 2 of this act when determining a consumer's income eligibility and copayment.

NEW SECTION. Sec. 18. A new section is added to chapter 70.47 RCW to read as follows:

The administrator shall not count the twenty-five dollar increase paid as part of an individual's weekly benefit amount as provided in section 2 of this act when determining an individual's gross family income, eligibility, and premium share.

NEW SECTION. Sec. 19. A new section is added to chapter 74.09 RCW to read as follows:

For apple health for kids, the department shall not count the twenty-five dollar increase paid as part of an individual's weekly benefit amount as provided in section 2 of this act when determining family income, eligibility, and payment levels.

NEW SECTION. Sec. 20. 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 the 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.

NEW SECTION. Sec. 21. In determining under section 20 of this act which if any part of this act is 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 the state for federal unemployment tax credits, the commissioner of the Washington state employment security department shall have full and complete authority and discretion to determine the extent of the conflict and to determine which provisions of this act shall be inoperative and which shall remain in effect in order to remedy the conflict with federal requirements.

NEW SECTION. Sec. 22. If any provision of this act or its application to any person or circumstance is held invalid, the
NEW SECTION. Sec. 23. Sections 4 and 6 of this act expire July 1, 2012, unless the United States department of labor determines by October 1, 2011, that this act does not meet the requirements of section 2003 of the federal American recovery and reinvestment act of 2009 for unemployment insurance modernization incentive funding.

NEW SECTION. Sec. 24. Sections 7 through 15 of this act take effect July 1, 2012, unless the United States department of labor determines by October 1, 2011, that this act does not meet the requirements of section 2003 of the federal American recovery and reinvestment act of 2009 for unemployment insurance modernization incentive funding.

NEW SECTION. Sec. 25. The employment security department must provide notice of the expiration date of sections 4 and 6 of this act and the effective date of sections 7 through 15 of this act to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department.

NEW SECTION. Sec. 26. Sections 1 through 6 and 16 through 21 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately."

Correct the title.

Representative Sells moved the adoption of amendment (16) to amendment (14).

On page 1, beginning on line 3 of the striking amendment, strike all of section 1
Renumber the remaining sections consecutively and correct any internal references accordingly.
On page 1, at the beginning of line 26 of the striking amendment, strike "January 1, 2012" and insert "November 6, 2011" On page 2, beginning on line 20 of the striking amendment, after "equals" strike "ninety million" and insert "sixty-eight million" On page 6, after line 31 of the striking amendment, insert the following:
"Sec. 5. RCW 50.16.030 and 2006 c 13 s 7 are each amended to read as follows:
(1)(a) Except as provided in (b) and (c) of this subsection, moneys shall be requisitioned from this state's account in the unemployment trust fund solely for the payment of benefits and repayment of loans from the federal government to guarantee solvency of the unemployment compensation fund in accordance with regulations prescribed by the commissioner, except that money credited to this state's account pursuant to section 903 of the social security act, as amended, shall be used exclusively as provided in (RCW 50.16.030(5)) subsection (5) of this section. The commissioner shall from time to time requisition from the unemployment trust fund such amounts, not exceeding the amounts standing to its account therein, as he or she deems necessary for the payment of benefits for a reasonable future period. Upon receipt thereof the treasurer shall deposit such moneys in the benefit account and shall issue his or her warrants for the payment of benefits solely from such benefits account.
(b) During fiscal year 2006, moneys for the payment of regular benefits as defined in RCW 50.22.010 shall be requisitioned ((during fiscal year 2006)) in the following order:
(i) First, from the moneys credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended in section 209 of the temporary extended unemployment compensation act of 2002 (42 U.S.C. Sec. 1103(d)), the amount equal to the amount of benefits charged that exceed the contributions paid in the four consecutive calendar quarters ending on June 30, 2006, because the social cost factor contributions that employers are subject to under RCW 50.29.025(2)(b)(ii)(B) are less than the social cost factor contributions that these employers would have been subject to if RCW 50.29.025(2)(b)(ii)(A) had applied to these employers; and
(ii) Second, after the requisitioning required under (b)(i) of this subsection, from all other moneys credited to this state's account in the unemployment trust fund.
(c) During fiscal years 2012 and 2013, if moneys are credited to this state's account in the unemployment trust fund pursuant to section 903(f)(3) of the social security act, as amended in section 2003 of the American recovery and reinvestment act of 2009 (42 U.S.C. Sec. 1103(f)(3)), moneys for the payment of regular benefits as defined in RCW 50.22.010 shall be requisitioned in the following order:
(i) First, from the moneys credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended, from the proceeds of the temporary extended unemployment compensation act of 2002 (42 U.S.C. Sec. 1103(d)), the amount equal to the amount of benefits charged that exceed the contributions paid in the four consecutive calendar quarters ending on June 30, 2006, because the social cost factor contributions that employers are subject to under RCW 50.29.025(2)(b)(ii)(B) are less than the social cost factor contributions that these employers would have been subject to if RCW 50.29.025(2)(b)(ii)(A) had applied to these employers; and
(ii) Second, after the requisitioning required under (b)(i) of this subsection, from all other moneys credited to this state's account in the unemployment trust fund.
(2) Expenditures of such moneys in the benefit account and refunds from the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers of money in their custody, and RCW 43.01.050, as amended, shall not apply. All warrants issued by the treasurer for the payment of benefits and refunds shall bear the signature of the treasurer and the countersignature of the commissioner, or his or her duly authorized agent for that purpose.
(3) Any balance of moneys requisitioned from the unemployment trust fund which remains unclaimed or unpaid in the benefit account after the expiration of the period for which sums were requisitioned shall either be deducted from estimates for, and may be utilized for the payment of benefits during succeeding periods, or in the discretion of the commissioner, shall be redeposited with the secretary of the treasury of the United States of America to the credit of this state's account in the unemployment trust fund.
(4) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States of America pursuant to section 903 of the social security act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of this title pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:
(a) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor;
(b) Limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law; and
(c) Limits the amount which may be obligated during a twelve-month period beginning on July 1st and ending on the next June 30th to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this state pursuant to section 903 of the social security act, as amended, during the same twelve-month period and the thirty-four preceding twelve-month periods, exceeds (ii) the aggregate of the
The Clerk called the roll on the final passage of Engrossed House Bill No. 1091, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.


ENGROSSED HOUSE BILL NO. 1091, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5135, by Senators Kohl-Welles, Holmquist Newbry, King, Honeyford, Schoesler, Becker, Hobbs, Rockefeller, Baumgartner, Hill, Litzow and Benton

Responding to the current economic conditions by temporarily modifying the unemployment insurance program.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Sells and Condotta spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Senate Bill No. 5135.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5135, and the bill passed the House by the following vote: Yeas, 78; Nays, 0; Absent, 0; Excused, 0.


SENATE BILL NO. 5135, having received the necessary constitutional majority, was declared passed.
SENATE CONCURRENT RESOLUTION NO. 8400, by Senators Fraser and Parlette

Calling a joint session to honor deceased former members.

The concurrent resolution was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the concurrent resolution was placed on final passage.

Representatives Sullivan and Parker spoke in favor of the adoption of the concurrent resolution.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Senate Concurrent Resolution No. 8400.

SENATE CONCURRENT RESOLUTION NO. 8400, was adopted.

The Speaker (Representative Moeller presiding) appointed Representatives Johnson and Moeller to the joint session committee.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 9:55 a.m., February 10, 2011, the 32nd Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk
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