



Unemployment Insurance Modernization Training Benefits Requirements

The federal American Recovery and Reinvestment Act (ARRA) provides \$7 billion in incentive payments to states that permanently enact specific unemployment insurance (UI) provisions in law. Eligibility for full payment is tied to a number of provisions.

Below is a description of the changes to current law required to be eligible to receive the remaining two-thirds of available UI Modernization funding. There are three options: changes to Training Benefits (TB), Part-time provisions, and Dependents' Allowance. Specifics related to the TB program are discussed below.

Based on the guidance from the U.S. Department of Labor (USDOL), the following changes to the TB law, if passed during the 2011 legislative session, would enable Washington State to receive the remaining \$98 million in federal UI Modernization funding. The state's application must be submitted to the USDOL by August 22, 2011, and the changes must be in effect by September 21, 2012.

The state would be required to change current law to amend eligibility for dislocated worker-participants in the program. As a reminder, the state legislature expanded eligibility beyond dislocated under provisions of ESHB 1906 passed in 2009. These proposed changes are not required to apply to eligible low-income individuals, honorably discharged members of the military and National Guard, current members of the National Guard, or disabled individuals in order to qualify for UI Modernization funding.

If the option to amend the TB program is selected in order to qualify for UI Modernization funding, the USDOL has identified the following changes that would be required:

- **Reduce Training benefits only by regular benefits paid.** The total amount of Training Benefits available is reduced only by the total amount of regular benefits paid (not reduced by the amount of extended benefits paid, as in current law)¹.
- **Eliminate the funding cap.** Currently, state law provides no more than \$20 million be obligated to TB in any year, though unspent obligation authority may roll forward to subsequent years. The USDOL has advised Washington that while the cap can remain for the other categories of claimants, there must be unlimited funding available for dislocated workers.
- **Remove the application and enrollment deadlines.** Currently, there is a 90-day application deadline and a 120-day enrollment deadline. In order to qualify for remaining funding, the USDOL has advised us that these deadlines would need to be eliminated.
- **Allow participants to participate in part-time training.** Currently, claimants must participate in full-time training. In order to qualify for UI Modernization funding, the USDOL has advised the state that claimants must have the option of participating in part-time training.
- **Eliminate the restriction on how soon a participant can be eligible for TB again.** Under current state law, claimants are not eligible for TB for five years after participating in TB. The state has been advised that this requirement must be eliminated to qualify for UI Modernization funding.
- **Definition of "dislocated worker."** The state has also been advised that the definition of "dislocated worker" in RCW 50.04.075 used in the TB statute is too narrow. In addition, the definition may not exclude individuals who, although they voluntarily quit work in a declining occupation, remain eligible for unemployment insurance.

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September 3, 2010