



Telephone: (517) 373-5383

Fax: (517) 373-1986

Senate Bill 40 (as enacted) Senate Bill 962 (as enacted) Senate Bill 975 (as enacted) Senate Bill 981 (as enacted)

Sponsor: Senator Paul Wojno (S.B. 40)

Senator John Cherry (S.B. 962) Senator Sam Singh (S.B. 975) Senator Mary Cavanagh (S.B. 981)

Senate Committee: Labor

House Committee: Committee of the Whole

Date Completed: 2-24-25

PUBLIC ACT 173 of 2024
PUBLIC ACT 238 of 2024
PUBLIC ACT 239 of 2024
PUBLIC ACT 240 of 2024

RATIONALE

According to testimony before the Senate Committee on Labor, the bills will modify unemployment statute to correct common issues claimants have experienced in the unemployment system. These modifications include making permanent aspects of the unemployment system that operated well during the COVID-19 pandemic, amending language that was deemed inconsistent by the Michigan Supreme Court regarding benefits paid to individuals who involuntarily stopped working, and streamlining administrative processes in the Unemployment Insurance Agency (UIA) and administrative law courts concerning unemployment insurance hardship waivers, among other things.

CONTENT

Senate Bill 40 amends the Michigan Employment Security Act to do the following:

- -- Increase, from 20 weeks to 26 weeks, the maximum number of weeks an individual can qualify for unemployment benefits per benefit year.
- -- Increase, from \$362 to \$614, incrementally over the next three years the maximum weekly benefit rate an individual can receive for unemployment benefits.
- -- Increase, from \$6 to \$26, incrementally over the next three years the unemployment benefit rate for each dependent.
- -- Require the State Treasurer to increase the maximum weekly benefit rate and the unemployment benefit rate for each dependent by the Consumer Price Index (CPI) annually, beginning December 31, 2027.

Senate Bill 962 amends the Michigan Employment Security Act to do the following:

- -- Allow an interested party filing an appeal for a hearing on a redetermination of the claimant's unemployment benefits to request that all related matters be consolidated into one hearing in front of an administrative law judge.
- -- Allow an individual who was a victim of domestic violence to still be considered qualified for unemployment benefits after leaving work voluntarily if the individual left work because of that domestic violence.
- -- Modify the number of hardship waiver applications the UIA could consider when determining whether to waive recovery of improperly paid benefits.

Page 1 of 10 sb40/962/975/981/2324

- -- Require an individual to conduct a sustained search for work by doing certain activities at least three times in each week the individual was claiming benefits.
- -- Prohibit the UIA from initiating recovery of improperly paid benefits until the UIA had reviewed the claim for all possible waivers to which the claimant could be entitled and issued a notice to the claimant containing additional information.
- -- Require a reduction in employees' work hours under an approved shared-work plan to be between 10% and 60%, instead of between 15% and 45%.

Senate Bill 975 amends the Michigan Employment Security Act to allow an individual who is a victim of domestic violence to still be considered qualified for unemployment benefits after leaving work voluntarily if the individual left work because of that domestic violence. In addition, the bill specifies that an individual who reduces the individual's own working status to less than full-time employment is rebuttably presumed to have voluntarily left work without good cause attributable to the employer.

Senate Bill 981 amends the Michigan Employment Security Act to do the following:

- -- Require writings of the UIA in the performance of an official function to be subject to the Freedom of Information Act and to be available for retention for preservation and archival by the State.
- -- Delete a provision allowing the UIA to destroy original documents that were copied and preserved.
- -- Repeal several sections of the Act whose provisions no longer apply.

Senate Bill 962 will take effect on July 17, 2026. Senate Bills 40, 975, and 981 will take effect on April 2, 2025.

Senate Bill 40

Currently, the Act requires the UIA to pay an eligible unemployed individual specified benefit amounts after the individual makes a claim for benefits and while the individual seeks work. An individual qualified for unemployment benefits is eligible for between 14 and 20 weeks of unemployment benefits payable to an individual in a benefit year. Instead, under the bill, an individual qualified for unemployment benefits is eligible for between 14 to 26 weeks per benefit year.

Additionally, an individual's weekly unemployment benefit rate is 4.1% of the individual's wages paid in the quarter of the year in which the individual is paid the highest total wages, plus \$6 per dependent; however, an individual's maximum weekly benefit rate may not exceed \$362. Instead, under the bill, an individual's weekly benefit rate must be calculated using the following monetary amounts for each dependent, if any, and cannot exceed the following maximum weekly benefit rates:

- -- For a claim filed on or after January 1, 2025, \$12.66 for each dependent, and the maximum weekly benefit rate cannot not exceed \$446.
- -- For a claim filed on or after January 1, 2026, \$19.33 for each dependent, and the maximum weekly benefit rate cannot exceed \$530.
- -- For a claim filed on or after January 1, 2027, \$26 for each dependent, and the maximum weekly benefit rate cannot exceed \$614.
- -- For a claim filed on or after January 1, 2028, the adjusted monetary amount established in accordance with the CPI for each dependent, and the maximum weekly benefit rate cannot exceed the adjusted maximum weekly benefit rate established in accordance with the CPI.

Page 2 of 10 sb40/962/975/981/2324

The bill requires the State Treasurer to adjust the monetary amount for each dependent and the maximum weekly benefit rate above by an amount determined by the State Treasurer to reflect the cumulative annual percentage change in the CPI at the end of each calendar year after December 31, 2026. "Consumer Price Index" means the most comprehensive index of consumer prices available for Michigan from the Bureau of Labor Statistics of the United States Department of Labor.

Senate Bill 962

Reinstated Eligibility for Domestic Violence Victims

Generally, the Act provides for the disbursement of unemployment benefits. To receive unemployment benefits, an individual must prove that the individual left work involuntarily or for good cause that was attributable to the employer or employing unit. If an individual leaves work voluntarily *without* good cause attributable to the employer or employing unit, that individual is ineligible for unemployment benefits; however, the Act exempts certain individuals from this disqualification.

Previously, an individual who left work voluntarily without good cause was still considered qualified for benefits if the individual was a victim of domestic violence and demonstrated to the UIA that the individual needed to discontinue employment or relocate to avoid further domestic violence or recover. This exemption from disqualification sunset on March 31, 2021. The bill reinstates this exemption from disqualification.

Modified Recovery of Improperly Paid Benefits

If the UIA determines that an individual improperly obtained benefits, or a subsequent determination by the UIA or a decision of an appellate authority reverses a prior qualification for benefits, the UIA may recover a sum equal to the amount received plus interest; however, if repayment is contrary to equity and good conscience, the UIA must waive the collection of restitution and interest. This waiver is prospective and does not apply to restitution and interest payments already made by the individual. The bill deletes the latter provision.

Currently, "contrary to equity and good conscience" means any of the following:

- -- The claimant provided incorrect wage information without the intent to misrepresent, and the employer provided either no wage information upon request or provided inaccurate wage information that resulted in the overpayment.
- -- The claimant's average net household income and household cash assets, exclusive of social welfare benefits, were, during the six months immediately preceding the date of the application for waiver, at or below 150% of the annual update of the poverty guidelines most recently published in the Federal Register by the United States Department of Health and Human Services, and the claimant has applied for a waiver.
- -- The improper payments resulting from an administrative or clerical error by the UIA.

Under the definition, the UIA may not consider a new application for a waiver from a claimant within six months after receiving an application for a waiver from the claimant. A waiver applies from the date the application is filed. If the waiver is granted, the UIA must promptly refund any restitution or interest payments made by the individual after the date of the application for waiver. Under the bill, the UIA may not consider more than five additional hardship waiver applications from a claimant in a calendar year after receiving an application for a waiver from the claimant. Additionally, the UIA may not deny or refuse to consider an

Page 3 of 10 sb40/962/975/981/2324

_

¹ See MCL 421.29a for more information concerning the exception for domestic violence.

application for a waiver submitted by a claimant solely because the claimant has a pending appeal of one or more matters that generates the overpayment under consideration to be waived. Finally, a waiver granted applies from the date the administrative or clerical error occurred. If the date the error occurs cannot be determined, the waiver will apply from the first day of the first week that the improper payments for which the waiver will be sought begins.

Currently, "cash assets" means cash on hand and funds in a checking or savings account. Under the bill, "cash assets" means cash *in excess of \$100,000* in a checking or savings account, *not including wages reported during that period*.

Additionally, the bill prohibits the UIA from initiating recovery of improperly paid benefits until the UIA has reviewed the claim for eligibility to receive a waiver to which the claimant may be entitled and issued a notice to the claimant that includes all the following information:

- -- A determination of eligibility for each waiver for which eligibility is considered or, if a determination cannot be reached, the information the UIA needs to make a determination.
- -- The consequences of each determination on the claimant's benefit rights and any overpayment owed, including the issue or matter generating the overpayment and the weeks of benefits affected.
- -- The claimant's protest and appeal rights with respect to the determination or redetermination on the claimant's eligibility for a waiver and the underlying determination or redetermination that generated the overpayment.

Standards for Systematic and Sustained Search for Work

The Act prescribes requirements for an unemployed individual to be eligible to receive unemployment benefits. One of these requirements is that an individual must prove, at least on a biweekly basis, that the individual is conducting a systematic and sustained search for work. The Act provides ways in which the individual may conduct a systemic and sustained search for work, which are as follows:

- -- Using resources available at a Michigan Works! agency office to participate in reemployment services and eligibility assessment activities, identify the skills the individual possesses that are consistent with target or demand occupations in the local workforce development area, or obtain job postings and seek employment for suitable positions needed by local employers.
- -- Attending job search seminars or other employment workshops that offer instruction in improving an individual's skills for finding and obtaining employment.
- -- Creating a user profile on a professional networking site or using an online career tool.
- -- Applying for an available position with, submitting a resume to, or interviewing with employers. Applying for the same position within a four-week period or contacting an employer to determine whether a position is available does not satisfy the requirements of this provision, unless the individual uses his or her union hiring hall to conduct a search for work.
- -- Registering for work with a private employment agency or, if it is available to the individual in his or her occupation or profession, the placement facility of a school, college, or university.
- -- Taking an examination that is required for a position in the state civil service.

The bill requires that an individual must meet the requirement to conduct a systemic and sustained search for work by doing any of the activities listed above at least three times in each week the individual is claiming benefits.

Page 4 of 10 sb40/962/975/981/2324

Redetermination

Under the Act, an interested party may request a hearing before an administrative law judge on a redetermination.² The UIA also may transfer a matter to an administrative law judge. The bill provides that, upon filing an appeal for a hearing on a redetermination, an interested party may include a request for consolidation of another matter to be reviewed at a hearing. Upon receipt of the request for consolidation, the UIA will have to consolidate all matters for transfer to an administrative law judge for a hearing on the matters listed in the request for consolidation. A matter listed on the request for consolidation will have to be consolidated if one of the following conditions are met:

- -- An application for review of a determination for the listed matter is submitted at least 30 days before the interested party's request for consolidation.
- -- The UIA has previously issued a redetermination of the listed matter, and the interested party filed a timely appeal for a hearing on the redetermination; if the interested party had not filed an appeal for a hearing on the redetermination of the listed matter before the interested party submitted a request for consolidation, but the appeal otherwise would be timely or the interested party had good cause for a late appeal, the interested party may file an appeal for a hearing for a redetermination of the listed matter at the same time that the interested party made the request for consolidation.

The bill specifies that the above provisions must not be construed to limit an administrative law judge's authority to consolidate matters to be reviewed at a hearing as described in Section 33.³

Shared-work Plan Requirements

The Act allows an employer or employing unit to submit a shared-work plan to the UIA. A shared-work plan is a plan for reducing unemployment under which employees of an affected unit share a reduced workload through reduction in their normal weekly hours of work. The UIA can only approve a shared-work plan if, among other requirements, the proposed reduction percentage is between 15% and 45%, or, until March 31, 2021, between 10% and 60%. Under the bill, the proposed reduction percentage would have to be between 10% to 60%.

Senate Bill 975

Generally, the Act requires the UIA to pay an eligible unemployed individual specified benefit amounts after the individual makes a claim for benefits and while the individual seeks work. The Act disqualifies an individual who left work voluntarily without good cause from receiving benefits. The bill specifies that an individual who reduced the individual's own working status to less than full-time employment is rebuttably presumed to have voluntarily left work without good cause attributable to the employer.⁴

Additionally, the Act exempts certain individuals from disqualification from receiving benefits. Previously, an individual who left work voluntarily without good cause was still considered qualified for benefits if the individual was a victim of domestic violence and demonstrated to

Page 5 of 10 sb40/962/975/981/2324

-

² Generally, an interested party is a party whose statutory rights or obligations may be affected by the outcome of a determination, redetermination, or decision, regardless of whether the UIA is a party to an action or proceeding arising under that Code.

³ Section 33 requires an appeal from a redetermination issued by the UIA to be referred to the Michigan administrative hearing system for assignment to an administrative law judge.

⁴ A rebuttable presumption is a legal assumption that a fact is true unless proven false by the opposing party. The burden of proof lies with the opposing party that wishes to disprove the presumption.

the UIA that the individual needed to discontinue employment or relocate to avoid further domestic violence or recover.⁵ This exemption from disqualification sunset on March 31, 2021. The bill reinstates this exemption from disqualification.

Senate Bill 981

Public Access to UIA Writings

Generally, the UIA may destroy or dispose of documents as soon as practicable after a document has been digitized and preserved in an information system. The bill deletes this provision, and instead, except as provided in Section 11 of the Act, a writing prepared, owned, used, in the possession of, or retained by the UIA in the performance of an official function is subject to all the following:

- -- The Freedom of Information Act.
- -- Sections 284 to 292 of the Management and Budget Act, which generally require State agencies and departments to keep operational records that document State history, among other things.⁶
- -- The Michigan History Center Act, which provides for the archival of historical records created by State government agencies.⁷

(Generally, under Section 11, information obtained from any employing unit or individual through the Act's administration and determinations as to the benefit rights of any individual are confidential and may not be disclosed or open to public inspection other than to public employees and public officials, or their agents or contractors, in the performance of their official duties under the Act. The Act prescribes certain exceptions to this provision, such as the use of information for course or program planning, grant applications, or in connection with research projects of a public nature, among other purposes.)

Rulemaking

Generally, the UIA has authority to create rules and regulations necessary to implement the Act, provided that the rules are consistent with the Act. The bill specifies that the UIA must promulgate rules to implement the Act under the Administrative Procedures Act.

The UIA must arrange for the Michigan Employment Security Act's text and all related rules and regulations to be printed for distribution to the public. Additionally, it must make available to the public any informal rules, criteria, administrative policies, or interpretations used by the UIA. Under the bill, the UIA no longer must arrange for the printing of such information. Also, the bill specifies that the information required to be made available to the public must be consistent with Section 11 of the Act.

Additionally, the Act requires a public hearing to be held before adopting new or changing rules. Notice of the hearing has to be published at least 20 days beforehand in three newspapers across the State, including one in the Upper Peninsula. The bill deletes these provisions.

Page 6 of 10 sb40/962/975/981/2324

-

⁵ See MCL 421.29a for more information concerning the exception for domestic violence.

⁶ Under the Management and Budget Act, State Agencies must maintain and document their activities. The Department of Technology, Management, and Budget maintains a records management program for direction and training and provides a retention and disposal schedule for official records.

⁷ The Michigan History Center Act allows the Archives or Michigan to collect and preserve historical records created by State agencies. It prohibits agencies from destroying official records without approval by the prescribed retention and disposal schedule.

UIA Membership

The Director may appoint employees and assistants as necessary to exercise the Director's duties and may delegate authority to the employees or assistants subject to UIA approval of appointment and delegation. The bill deletes the requirement that the UIA must approve the hiring or delegation of the employees or assistants.

Additionally, the Act allows the UIA to incur expenses as required to carry out the Act. Finally, the UIA may arrange for a bond for any individual handling funds or authorizing payments under the Act. The cost of the bond must be paid from the Administration Fund. The bill deletes these provisions.

Repealed Sections

The bill repeals Sections 3a, 4a, 6, and 6b to 7. Generally, Section 3a provides for the creation of the Michigan Employment Security Advisory Council, which makes recommendations to the UIA, the Legislature, and the Governor regarding the Act's administration and proposed amendments. Section 4a allows the UIA to purchase land for the use of a parking facility for the State Administrative Office in Detroit. Section 6 allows the Director to appoint individuals to committees with the purpose of educating the public of the conversion to the wage record system and for the development of forms to be used following the conversion to that system. Sections 6b to 7 provide for the use of appropriated funds from Fiscal Year 1989-90.

```
MCL 421.27 (S.B. 40)
421.28d et al. (S.B. 962)
421.29 (S.B. 975)
421.11 et al. (S.B. 976)
421.3 et al. (S.B. 981)
```

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Senate Bill 40 is a reintroduction of Senate Bill 2 of the 2021-2022 Legislative Session.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Public Act 14 of 2011 decreased the maximum number of benefit weeks for unemployment benefits from 26 weeks to 20 weeks for all individuals who filed their initial claims on or after January 15, 2012. According to testimony before the Senate Committee on Labor, Michigan currently provides the fewest unemployment benefit weeks among states in the Great Lakes region; forty-five states across the country offer 26 weeks of unemployment benefits or more.⁸ Additionally, Michigan provides the lowest unemployment benefit in the Great Lakes region, with a maximum weekly benefit rate of \$362; for comparison, Minnesota offers the highest benefit in the region with a maximum weekly benefit rate of \$820.⁹ Increasing Michigan's maximum unemployment benefit weeks will help Michigan residents and align Michigan's unemployment policy with the policies of a majority of other states, including others in the Great Lakes region.

Page 7 of 10 sb40/962/975/981/2324

⁸ Congressional Research Service, "Unemployment Insurance: Programs and Benefits", October 2019.

⁹ U.S. Department of Labor, Employment and Training Administration, "Significant Provisions of State Unemployment Insurance Laws", January 2017.

Supporting Argument

In the construction industry, employees and contractors are often unable to find work immediately after their current job concludes. As a result, construction workers often must apply for unemployment benefits during these interim periods; however, testimony indicates that the current benefit rate of \$362 per week is insufficient to provide for the livelihoods of most construction workers and their families. As a result, many construction workers are moving to neighboring states where unemployment benefits are comparatively better. A declining construction industry does not serve the interests of the State, and the bills will improve unemployment benefits for these workers in hopes of retaining the workforce.

Supporting Argument

Senate Bill 962 would reduce the number of obstacles claimants face in the application process for unemployment benefits. Firstly, the judicial process surrounding hardship waivers uses administrative law judges' time inefficiently and often leads to a claimant taking on unnecessary legal costs for a lengthy set of court hearings. A beneficiary applies for a hardship waiver when that beneficiary is paid benefits improperly by the UIA and cannot afford to recompensate the UIA. The hardship waiver, if approved, waives the debt owed by the beneficiary to the UIA. When an administrative law judge hears testimony about a case, the judge often hears different issues on different days, causing the judge to hear the same evidence in each hearing. Secondly, the UIA only allows two applications for hardship waivers per year. According to testimony before the Senate Committee on Labor, allowing more opportunities for beneficiaries to submit hardship waivers will lead to beneficiaries more accurately representing their financial states. Changing financial circumstances often qualify a previously-disqualified individual for a hardship waiver, such as in situations where an individual's medical circumstances change from the last update. Finally, the cash asset test used by the UIA will now use a \$100,000 threshold for checking and savings accounts when disqualifying claimants from receiving a hardship waiver. This change will prevent claimants from being denied hardship waivers for the financially responsible decision of saving money when unemployed.

Supporting Argument

According to testimony before the Senate Committee on Labor, <u>Senate Bill 975</u> was introduced because of an opinion in the Michigan Supreme Court's *Wilson v Meijer*. ¹⁰ In the case, Leonard Wilson was jailed and tried to communicate to Meijer, his employer, about his absence from work but failed to meet the company's standard of reaching out to his supervisor directly. Per corporate policy, Mr. Wilson was fired three days afterward. Chief Justice Elizabeth Clement mentioned in her opinion that, while she agreed with the defense that Mr. Wilson was ineligible for unemployment benefits under a "plain-language interpretation" of the law, she believes this interpretation "may yield results inconsistent with the goal of the Michigan Employment Security Act (MESA)". Chief Justice Clement specified that "[the result of the case] appears at odds with the MESA's intent to provide compensation to those persons involuntarily unemployed and renders employees who did not engage in dilatory action or wrongdoing ineligible for unemployment benefits". <u>Senate Bill 975</u> adds a rebuttable presumption, which allows legal investigation over whether an employee's absence from work was involuntary and addresses this concern put forward by the Supreme Court.

Opposing Argument

Increasing unemployment benefits for workers will likely affect employee wages, the number of employees, and the cost of goods for many Michigan businesses. According to testimony before the Senate Committee on Labor, employers will fund increases in unemployment benefits and weeks, and most businesses will pass on these costs to their employees or

Page 8 of 10 sb40/962/975/981/2324

¹⁰ Wilson v Meijer, 991 N.W.2d 582 (2023).

consumers in the form of reduced wages, reduced workforce, and increases in the cost of goods. This will hurt Michigan residents economically, and so the bills should not have passed.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

Senate Bill 40

The bill will have a significant negative fiscal impact on the Unemployment Insurance Trust Fund, a minimal fiscal impact on the UIA, and no fiscal impact on local units of government. Based on current trends and total pay outs in Unemployment Insurance (UI) benefits (\$763.1 million), the increase in the weekly benefit maximum could add an additional \$531.1 million in additional pay outs annually in 2027. Expanding the number of allowable weeks from 20 to 26 could add between \$76.3 to \$104.5 million in additional pay outs annually. In total, this could increase total pay outs to between \$1.3 to \$1.4 billion based on current pay out levels. Total pay outs will be even higher during an economic recession. The total will be less than the total amount of UI revenue generated, which currently is \$1.2 billion and would decrease the Unemployment Insurance Trust Fund balance, which is currently at \$2.8 billion.

Weekly Benefit Maximum

The bill will increase the weekly maximum benefit from \$362 to \$446 in calendar year 2025, \$530 in 2026, and \$614 in 2027. After 2027, the maximum will be adjusted annually according to the CPI. This represents a 23.2% increase in 2025, 46.4% in 2026, and 69.6% in 2027. The \$614 weekly maximum amount will still be less than the median income benefit received in Michigan, which is \$69,183 and would correspond to a weekly payment of \$692 if there were no cap. The percentage increase in weekly payments for each year will likely be slightly less than the exact percentage change as the maximum weekly cap approached the median income level.

For the past year, \$763.1 million was paid out in UI benefits. Had the maximum weekly benefits been in place, the total amount paid out could have been \$940.1 million for the 2025 maximum, \$1.1 billion for the 2026 maximum, and \$1.3 billion for the 2027 maximum. For the 2027 maximum, this would have been greater than the total amount of revenue that had been received, which was \$1.2 billion and would have reduced the Unemployment Insurance Trust Balance.

26 Allowable Weeks

The bill will likely increase the average number of weeks that claimants will continue receiving UI benefits. Currently, 34% of claimants reach the 20-week limit for UI benefits. For the additional six weeks, if the average week-to-week decrease in claimants receiving UI benefits were extended (3.47%), the average cost per claimant would increase 9.8% and if the same number of claimants continued for the additional six weeks, the average cost per claimants would increase 13.7%.

For the past year, \$763.1 million was paid out in UI benefits. Had the total number of allowable weeks been 26 weeks, the total amount of payouts could have been between \$839.4 million and \$867.6 million, an additional \$76.3 million to \$104.5 million. This amount would have remained under the \$1.2 billion in UI tax collections and the Unemployment Insurance Trust Fund balance would have increased.

Page 9 of 10 sb40/962/975/981/2324

These assumptions are based on the current trends for the number of claimants, the number of payouts, and the week-to-week rate that claimants continue to receive UI benefits. If the week-to-week rate that claimants continue to receive UI benefits increased, such as during an economic downturn with fewer job openings, the average cost per claimant would increase beyond current assumption. For example, if the average week-to-week drop in claimants receiving UI benefits were 1% less (or 2.47%) than the current rate, the average cost per claimant would increase between 17.4% to 19.8% by allowing the additional six weeks.

<u>Administration</u>

The bill also will add Information Technology to the UIA to update the number of allowable weeks and the maximum weekly benefit rates. This likely will be supported with current appropriations, which is only supported with Federal dollars and State Restricted Penalties and Interest Revenue.

Senate Bill 962

The bill will have a fiscal impact on the UIA and no fiscal impact on local units of government. Increasing the benefit reduction percentage for shared-work plans, from between 15% and 45% to 10% and 60%, may increase the number of shared-work plans approved. About 1.5% of total UIA claims are from shared-work plans. Any increase in that rate may reduce the otherwise full unemployment benefit payments made by the UIA Trust Fund had the work-share plan not been allowable.

Postponing the timeframe for initiating the recovery of improperly paid benefits will have an indeterminate fiscal impact. Postponing the timeframe will delay the time when improperly paid benefits are paid back to the UIA Trust Fund; however, this process may reduce the number of false improperly paid benefit cases that are found through waivers or on appeal. This would only change when the State initiated a recovery of improperly paid benefits and not the waiver and appeal process, which would make additional administrative costs minimal and within current appropriations.

Senate Bill 975

The bill will have no fiscal impact on State or local government.

Senate Bill 981

The bill will have no fiscal impact on State or local government.

Fiscal Analyst: Cory Savino, PhD

SAS\S2324\s40ea

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.