

SUBJECT: Unemployment compensation requirements for victims of family violence.

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 7 ayes — Giddings, Darby, Bohac, Castro, Martinez, Solomons, Zedler

0 nays

1 absent — Bailey

1 present not voting — Elkins

WITNESSES: For — Erin Goodison, SafePlace: Domestic Violence and Sexual Abuse Center; Rick Levy, Texas AFL-CIO; Ana Rodriguez, Texas Council on Family Violence; Katchina Fletcher (*Registered, but did not testify*: Torie Camp, Texas Association Against Sexual Assault; Jason Sabo, United Ways of Texas)

Against — Bill Hammond, Texas Association of Business

On — Leslie Geballe, Texas Workforce Commission

BACKGROUND: Labor Code, ch. 204 governs the Texas unemployment compensation contribution system. Sec. 204.021 states that benefits paid to a claimant are charged to the account of the claimant's former employer. An employer's unemployment compensation rate is calculated according to the history of unemployment claims against that employer. Benefits paid to a claimant are counted as "chargebacks" against the employer's account. An employer's unemployment insurance premiums rise if a former employee receives benefits from the unemployment compensation fund. A claim filed against an employer remains on the employer's account for three years.

Sec. 204.022(a) allows certain categories of employers to be exempted from the chargeback system if a former employee claims unemployment benefits. Chargebacks are not posted on those employers' accounts. The additional cost of providing unemployment benefits to these claimants is paid by all contributors to the unemployment insurance system. Currently, a former employee's unemployment benefits are exempted from

chargeback if the employee left due to stalking or family violence if the employee can demonstrate:

- an active or recently issued protective order documenting family violence;
- a police record of family violence; *and*
- a physician's statement or medical record.

DIGEST:

CSHB 550 would permit an employee to use one of the following documents to show that the employee was leaving a workplace due to stalking or family violence:

- an active or recently issued protective order documenting family violence;
- a police record of family violence; *or*
- a physician's statement or medical record that described family violence against the employee and that identified the employee as a patient and related to the medical history, treatment, or prognosis of the patient.

The evidence regarding the employee could not be disclosed, except as provided by law, without permission of the employee.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

SUPPORTERS
SAY:

By requiring employees who were forced to leave their places of employment because of stalking or family violence to show only one piece of documentary evidence rather than three to qualify for unemployment benefits, CSHB 550 would help victims in their continued desire to work and transition from a violent and dangerous situation to a stable environment. Benefits from the unemployment fund allow victims to maintain economic independence from their abusers and to transition better back into the workforce, away from the abuser. Victims who return to the workforce would cease receiving unemployment benefits and pay money back into the system.

Since September 2003, 337 applicants have applied for unemployment benefits under the current requirements, but only 106 victims have been able to qualify. The requirements prevent this provision from benefiting

those that it was intended to benefit because requiring an employee to meet all three evidentiary standards often is too high a hurdle. CSHB 550 would require only one piece of documentary evidence to qualify, which is all that should be needed.

More than 69,000 claimants are receiving unemployment compensation under the other exemptions in sec. 204.022(a) of the Labor Code, while claimants who file due to family violence make up less than 0.1 percent of unemployment compensation claimants. The proportion of family violence claimants is small compared to the impact of other provisions in sec. 204.022(a).

While the bill would allow victims of family violence to use only one piece of evidence, many victims because of the oppressive nature of family violence and stalking, find it difficult to seek the type of help that would allow them to obtain the evidence. All of the claimants would still have to meet the other requirements for unemployment benefits eligibility.

OPPONENTS
SAY:

By lowering the qualification standard for those claiming unemployment benefits based on family violence or stalking, CSHB 550 would force businesses that pay into the unemployment compensation fund to cover the cost of claimants who would otherwise not be eligible. The standard of proof under CSHB 550 would be too easy and could encourage more people to apply for unemployment benefits than normally would be eligible under this provision. This would increase the stress on the unemployment compensation fund to cover benefits for the additional people who could show eligibility under the new easier standard because all employers must subsidize these benefits. Also, the bill would be contrary to the purpose of the unemployment compensation fund, which is to provide benefits to people who lose their jobs through no fault of their own due to a downturn in the economy.

NOTES:

The committee substitute modified the requirements for a physician's statement or medical documentation by requiring the documentation to identify the employee as a patient and to relate to history, diagnosis, treatment, or prognosis of the patient.