

BILL ANALYSIS

Senate Research Center
81R9614 ALB-F

H.B. 1637
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Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current benefits provided by the shared work unemployment compensation program are based on a 40-hour work week. However, many businesses and their employees, particularly those in the manufacturing industry, do not work a 40-hour week. In the case of manufacturing facilities, employees work compressed schedules to maintain operations on a 24-hour, seven-days-a-week basis. As a result, employees on each shift work three days one week and four days the next. For these businesses, the average of a two-week paycheck period is 40 hours per week if the period is broken down to an individual week showing 33.48 hours worked the first week and 44.64 hours worked the second week.

The shared work unemployment compensation program is a true benefit for Texas employers and their employees, especially during challenging economic times. During challenging times, companies consider many options to ensure their operations remain viable. When considering these different options, companies prefer to maximize employment and avoid permanent workforce reductions, if possible. The shared work unemployment compensation program creates an alternative option by providing proportionate unemployment compensation for a temporary reduction in work hours, rather than permanent job loss.

H.B. 1637 amends current law relating to normal weekly hours of work under the shared work unemployment compensation program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 215.001(3), Labor Code, to redefine "normal weekly hours of work."

SECTION 2. Effective date: upon passage or September 1, 2009.