

## **BILL ANALYSIS**

Senate Research Center

S.B. 1569  
By: Eltife et al.  
Economic Development  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Federal Unemployment Insurance Modernization provision of the American Recovery and Reinvestment Act of 2009 (ARRA), provides a \$7 billion dollar distribution to the states from the Federal Unemployment Account before October 1, 2011. A state's portion is based upon its proportionate share of total Federal Unemployment Tax Act taxes paid, estimated to be \$555 million for Texas.

As proposed, S.B. 1569 adopts specific provisions outlined in ARRA that will draw down these federal funds for unemployment insurance. This is achieved by first adopting an alternative base period allowing the state to receive one-third of the estimated \$555 million. This bill adopts unemployment insurance benefits for part-time employees and benefits for an individual forced to quit his or her job for compelling family reasons. S.B. 1569 provides for a discontinuation of those provisions when the federal funding expires.

### **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. Repealer: Section 201.011(1) (relating to the definition of "base period"), Labor Code.

SECTION 2. Amends Subchapter B, Chapter 201, Labor Code, by adding Section 201.013, as follows:

Sec. 201.013. DEFINITION OF BASE PERIOD; ALTERNATIVE BASE PERIODS.

(a) Provides that an individual's base period, for purposes of this subtitle and subject to this section, is the four consecutive completed calendar quarters, prescribed by the Texas Workforce Commission (TWC), in the five consecutive completed calendar quarters preceding the first day of an individual's benefit year.

(b) Provides that the base period, for an individual precluded because of a medically verifiable injury or illness from working during a major part of a calendar quarter of the period that would otherwise be the individual's base period under Subsection (a), is the first four calendar quarters of the five consecutive calendar quarters preceding the calendar quarter in which the illness began or the injury occurred if the individual files an initial claim for benefits not later than 24 months after the date on which the individual's injury or illness began or occurred.

(c) Provides that the base period, for an individual who does not have sufficient benefit wage credits to qualify for benefits under the computation of the base period as provided by Subsection (a) or (b), is the four most recently completed calendar quarters preceding the first day of the individual's benefit year.

SECTION 3. Amends Section 204.022(a), Labor Code, to prohibit benefits computed on benefit wage credits of an employee or former employee from being charged to the account of an employer if the employee's last separation from the employer's employment before the employee's benefit year was due to family violence, verified by reasonable and confidential

documentation, which causes the employee reasonably to believe that the employee's continued employment would jeopardize the safety of the employee or of any member of the employee's immediate family or was due to the illness or disability of a member of the employee's immediate family. Deletes existing text prohibiting benefits computed on benefit wage credits of an employee or former employee from being charged to the account of an employer if the employee's last separation from the employer's employment before the employee's benefit year was caused by a medically verifiable illness of the employee or the employee's minor child, resulted from the employee leaving the employee's workplace to protect the employee from family violence by certain evidence, resulted from a move from the area of the employee's employment that was made with the employee's spouse who is a member of the armed forces of the United States and resulted from the spouse's permanent change of station of longer than 120 days or a tour of duty of longer than one year, or resulted from the employee leaving the employee's workplace to care for the employee's terminally ill spouse as evidenced by a physician's statement or other medical documentation, but only if no reasonable, alternative care was available.

(b) Makes no changes to this subsection.

(c) Prohibits evidence regarding an employee described by Subsections (a)(11) and (11-a), except as provided by law, from being disclosed to any person without the consent of the employee.

(d) Defines "reasonable documentation," "member of the employee's immediate family," "illness," and "disability" for purposes of Subsections (a)(11), (11-a) and (14).

(e) Makes no changes to this subsection.

SECTION 4. Amends Section 207.021, Labor Code, by adding Subsection (d), to provide that an individual is available to work for purposes of Subsection (a)(4) even if the individual is available only for part-time work. Provides that for purposes of this subsection, part-time work is at least 20 hours per week.

SECTION 5. Amends Section 207.045(c), Labor Code, to prohibit an individual who left to accompany the individual's spouse, notwithstanding any other provisions of the section, from being disqualified for benefits if the move was to a place from which it is impractical for such individual to commute and was due to a change in location of a spouse's employment. Deletes existing text relating to disqualification for benefits under this section, for an individual who left to move with the individual's spouse from the area where the individual worked continuing for not less than six benefit periods and not more than 25 benefit periods following the filing of a valid claim as determined by TWC according to the circumstances of the case.

SECTION 6. Amends Section 207.045(d), Labor Code, to delete existing text prohibiting an individual, notwithstanding any other provision of this section, from being disqualified for benefits because the individual left work because of a medically verified illness of the individual's minor child or a move made from the area of individual's employment that was made with the individual's spouse who is a member of the armed forces of the United States and resulted from the spouse's permanent change of station of longer than 120 days or a tour of duty of longer than one year.

SECTION 7. Repealer: Section 207.045(e) (relating to a medically verified illness of a minor child preventing disqualification only if reasonable alternative care was not available), Labor Code.

SECTION 8. Amends Section 207.046, Labor Code, as follows:

(a) Provides that an individual is not disqualified for benefits under this subchapter if the individual's separation from employment was due to family violence, verified by reasonable and confidential documentation, which causes the individual reasonably to believe that the individual's continued employment would jeopardize the safety of the individual or of any member of the individual's immediate family or the individual's separation from employment was due to the illness or disability of a member of the

individual's immediate family. Deletes existing text providing that an individual is not disqualified for benefits under this subchapter if the individual leaves the workplace to protect the individual from family violence as evidenced by a physician's statement or other medical documentation that describes the family violence against the employee that is recorded in any form or medium that identifies the employee as the patient and relates to the history, diagnosis, treatment, or prognosis of the patient. Deletes existing text providing that an individual is not disqualified for benefits under this subchapter if the individual leaves the workplace to care for the individual's terminally ill spouse as evidenced by a physician's statement or other medical documentation, but only if no reasonable, alternative care was available. Makes conforming changes.

(b) Prohibits evidence regarding an employee described by Subsections (a)(2) and (2-a), except as provided by law, from being disclosed to any person without the consent of the employee.

(c) Defines "reasonable documentation," "member of the individual's immediate family," "illness," and "disability."

SECTION 9. Provides that this Act is not subject to discontinuation throughout the period federal funding is provide to TWC to carry out the implementation and administration of the provisions of this Act. Provides that, notwithstanding any conflicting interpretations made by the courts or by the United States Department of Labor of what constitutes permanent law, this Act will not extend beyond the period of time that federal funding under the Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public law No. 111-5, enacted February 17, 2009, has been exhausted for implementing and administering the provisions of this Act. Requires TWC, once federal funding has been exhausted for implementing and administering the provision of this Act, to inform the governor and legislature. Provides that, immediately thereafter, the provisions relating to unemployment insurance coverage revert back to the pre-existing statutes.

SECTION 10. Makes application of this Act prospective.

SECTION 11. Effective date: upon passage or September 1, 2009.