

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1569
By: Eltife et al.
Economic Development
4/3/2009
Committee Report (Substituted)

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.

C.S.S.B. 1569 adopts specific provisions outlined in ARRA that will draw down 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. C.S.S.B. 1569 creates the Task Force on Unemployment Compensation Reform.

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 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 2. Amends Sections 204.022(a), (c), and (d), Labor Code, as follows:

(a) Prohibits 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 resulted from the employee leaving the employee's workplace to protect the employee from family violence, as evidenced by reasonable and confidential documentation, that 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; resulted from a move from the area of the employee's employment that was made with the employee's spouse, is to a location from which it is impractical for the individual to commute, and is due to a change in the location of the spouse's employment; or resulted from the employee leaving the employee's workplace because of 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 or stalking 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. Makes nonsubstantive changes.

(c) Prohibits evidence regarding an employee described by Subsection (a)(11) (relating to an employee's benefit year resulting from the employee leaving the employee's workplace to protect the employee from stalking) or (12) (relating to an employee's benefit year resulting from the employee leaving the employee's workplace to protect the employee from family violence that causes the employee reasonably to believe that the employee's continued employment would jeopardize their safety), except as provided by law, from being disclosed to any person without the consent of the employee.

(d) Defines "disability," "illness," "member of the employee's immediate family," and "reasonable documentation" for purposes of Subsections (a)(11), (12), and (14) (relating to an employee's benefit year being caused by the employee being unable to perform the work as a result of a disability for which the employee receives disability insurance benefits). Makes nonsubstantive changes.

SECTION 3. 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) (relating to an employee's benefit year being imposed by a disqualification under Section 207.044, 207.045, 207.051, or 207.053) even if the individual is seeking and available only for part-time work. Defines "part-time work" for purposes of this subsection.

SECTION 4. Amends Sections 207.045(c) and (d), Labor Code, as follows:

(c) Provides that an individual who left work to accompany the individual's spouse, notwithstanding any other provision of this section, is not disqualified for benefits if the move is to a location from which it is impractical for such individual to commute and 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 work 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.

(d) Deletes 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 5. Amends Section 207.046, Labor Code, as follows:

Sec. 207.046. INVOLUNTARY SEPARATION (a) Provides that an individual is not disqualified for benefits under this subchapter if the individual's separation from employment was due to the illness or disability of a member of the individual's immediate family or the individual's separation from employment was due to family violence, verified by reasonable and confidential documentation, that 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. 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 Subsection (a)(2) (relating to an individual not being disqualified from benefits if the individual leaves the workplace to protect the individual from stalking) or (4) (relating to an individual not being disqualified from benefits if the individual's separation from employment was due to family violence that causes the individual reasonably to believe that the individual's continued employment would jeopardize their safety), except as provided by law, from being disclosed to any person without the consent of the employee.

(c) Defines "disability," "family violence," "illness," "member of the employee's immediate family," "reasonable documentation," and "stalking." Deletes existing text relating to the definition of "family violence" and stalking."

SECTION 6. Amends Section 207.047, Labor Code, by adding Subsection (a-1), to provide that an individual is not disqualified for benefits under this section if the individual is seeking and available only for part-time work. Defines "part-time work."

SECTION 7. Amends Section 208.002, Labor Code, as follows:

Sec. 208.002. New heading: INITIAL CLAIM; LAST WORK. (a) Provides that "last work" and "person for whom the claimant last worked," when used in connection with an initial claim, refer to the last person for whom the claimant actually worked, if the claimant worked for that person for at least 30 hours during a week or the employer, as defined by Subchapter C (Definition of Employer), Chapter 201 (Unemployment Compensation Act--General Provisions), or by the unemployment law of any other state, for whom the claimant last worked.

(b) Creates this subsection from existing text.

(c) Redesignates Subsection (b) as Subsection (c).

SECTION 8. Repealer: Section 201.011(1) (relating to the definition of "base period"), Labor Code.

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 9. (a) Requires the governor, not earlier than January 1, 2010, to appoint a Task Force on Unemployment Compensation Reform (task force). Sets forth the composition of the nine-member task force.

(b) Requires representatives from office of the governor, TWC, Legislative Budget Board, house of representatives, senate, and the comptroller of public accounts to advise the members of the task force.

(c) Provides that the charge of the task force is to study the administration, financing, and benefit eligibility relating to the Texas Unemployment Compensation Act, Chapter 201, Labor Code. Sets forth the required duties of the task force.

(d) Requires the task force to identify findings and make recommendations to TWC not later than January 1, 2012. Requires TWC, at that time, to determine whether any of the unemployment insurance compensation reforms required under the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) warrant continuation.

SECTION 10. Makes application of this Act prospective.

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