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## FISCAL IMPACT REPORT

SPONSOR Stewart DATE TYPED 2/21/2005 HB 858

SHORT TITLE Create Unemployment Insurance Task Force SB \_\_\_\_\_

ANALYST Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	See Narrative				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Department of Labor (DOL)

### SUMMARY

#### Synopsis of Bill

House Bill 858 creates the Unemployment Insurance Task Force which includes members from the labor and finance and administration departments, legislators, and public members. The purpose of the task force is to study various elements of the unemployment insurance program, including benefit levels, tax rates and soundness of the unemployment insurance trust fund and to report its findings to the legislature by December 31, 2005. The task force will terminate January 1, 2006. The bill contains an emergency provision.

#### Significant Issues

House Bill 9 recently passed by the legislature and signed into law by the governor provides for increased benefits to the unemployed and decreased unemployment taxes for employers. Specifically, the legislation eliminated the benefit denial for claimants attending school full-time, included a dependents' allowance of \$15, added eligibility for victims of domestic violence, allowed for benefits to workers seeking part-time work, reduced the new employer tax rate to 2 percent, allowed for the transfer of favorable employment history from other states, and provided a zero tax rate for employers with experience. These same amendments were in effect in calendar year 2004 but were terminated December 2004 because of the unemployment rate trigger.

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The Unemployment Trust Fund balance remains healthy at approximately \$570 million after a year of program implementation.

Some members of the legislative body recommended the creation of the task force in order to appropriately address the issue described above and formulate a comprehensive plan on unemployment policy.

### **FISCAL IMPLICATIONS**

The legislation calls for public members to receive mileage and per diem, but the bill does not make an appropriation and does not indicate from what funding source the mileage and per diem will be paid.

### **ADMINISTRATIVE IMPLICATIONS**

The legislative council service with assistance from DOL and LFC shall provide staff for the task force.

**BD/yr**