

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass and Be Referred to the Committee on Ways and Means by Prior Reference

Vote: 8 - 0 - 0

Yeas: Conger, Doherty, Esquivel, Hoyle, Johnson, Matthews, Kennemer, Schaufler

Nays: 0

Exc.: 0

Prepared By: Theresa Van Winkle, Administrator

Meeting Dates: 4/27

WHAT THE MEASURE DOES: Authorizes the Employment Department to waive the recovery of benefits paid due to a nonclaimant error if the recovery of benefits would be against equity and good conscience. Changes what is required for reopening a hearing regarding unemployment insurance benefits. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Estimated number of claimants who are unable to repay unemployment insurance (UI) benefit overpayments
- Examples of a requested reopening of a UI claim hearing being denied
- How the measure’s usage of the term “good conscience” reflects current federal government’s definition and usage
- Rationale behind changing the term of “beyond the control” in current statute with “good cause”
- Procedures that the Office of Administrative Hearings use in determining whether a claims hearing is reopened
- Whether the measure will have an impact in regards to collecting overpaid UI benefits

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Current statute allows the recovery of overpaid unemployment insurance (UI) benefits to be waived if the Director of the Employment Department finds that benefits are unrecoverable due to either a change in federal or state law, and that the change caused the disqualification of benefits previously paid. Senate Bill 725 expands the ability to waive recovery of UI benefits if doing so would be against equity and good conscience. Examples of this include the overpayment not being due to providing a false statement or misrepresentation or failure to disclose a material fact. Thirty-four states currently have some form of waiver provision for nonclaimant-caused overpayments.

Senate Bill 725 also clarifies when the Department can reopen a hearing related to unemployment insurance benefits. Current statute restricts a hearing to be reopened only when the reason for missing the hearing is “beyond the control” of the requester. The measure changes the standard to “good cause,” which is the standard in current law for showing a reason for being late in requesting a hearing.