

SB 42 STAFF MEASURE SUMMARY

Senate Committee On Workforce

Prepared By: Debra Maryanov, LPRO Analyst

Meeting Dates: 3/27, 3/29

WHAT THE MEASURE DOES:

Reverses amendments to statute made by Enrolled Senate Bill 1534 (2016) previously determined by United States Secretary of Labor to be out of conformity with federal law.

ISSUES DISCUSSED:

- Need for Unemployment Insurance program to be in conformity with federal law
- Intent to remove confusing language from statute enacted under Senate Bill 1534 (2016)
- Implementation of federally required changes through rulemaking

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Unemployment Insurance (UI) program has special provisions that apply to people who work for educational institutions, generally restricting employees from receiving UI benefits during school breaks, including summer break. Federal law affords little flexibility to states in applying those laws to employees performing instructional, research or principal administrative work (“instructional work”), but provides more flexibility on their application to people who perform other types of services, such as bus drivers, janitorial workers, and school nurses.

In 2016, the Legislative Assembly adopted Senate Bill (SB) 1534, providing that the federal special school recess provisions do not preclude employees who do not perform instructional work that voluntarily leave their job on good cause from receiving UI benefits. However, SB 1534 (2016) did not become effective because guidance by the United States Department of Labor (DOL) that the measure would be out of conformity with federal law was received before its effective date and triggered an escape provision. SB 42 reverses the substantive provisions of SB 1534 (2016) to avoid having language in the statutes that is not in effect.

In December 2016, the DOL issued new guidance on school recess laws that not only permits states to make the changes proposed in SB 1534 (2016), but requires that they do so, and specifies that the change also applies to people who perform instructional work. Removing the substantive language of SB 1534 (2016) from statute will allow the Employment Department to initiate rulemaking that explains more clearly that all education employees who have good cause to quit their jobs may receive UI benefits during school breaks.