

SB 42 STAFF MEASURE SUMMARY

Carrier: Sen. Monnes Anderson

Senate Committee On Workforce

Action Date: 03/29/17

Action: Do pass.

Vote: 5-0-0-0

Yeas: 5 - Gelser, Hansell, Knopp, Monnes Anderson, Taylor

Fiscal: No fiscal impact

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Reverses amendments to statute made by Enrolled Senate Bill 1534 (2016) subsequently 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 1534, providing that the federal special school recess provisions do not preclude employees who do not perform instructional work and who voluntarily leave their job on good cause from receiving UI benefits. However, Senate Bill 1534 (2016) did not become effective because guidance by the United States Department of Labor (DOL) suggesting the measure does not conform with federal law was received before its effective date and triggered an escape provision. Senate Bill 42 reverses the substantive provisions of Senate Bill 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 Senate Bill 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 Senate Bill 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.