

## **SB 722 -5 STAFF MEASURE SUMMARY**

### **Senate Committee On Workforce**

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**Prepared By:** Ellen Osoinach, LPRO Analyst

**Meeting Dates:** 3/5, 3/7

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#### **WHAT THE MEASURE DOES:**

Authorizes Director of Employment Department to include persons compelled to work without receiving wages as unemployed for purposes of providing unemployment insurance benefits. Provides state-funded program to pay unemployment benefits to individuals on active duty in U.S. Coast Guard and stationed in this state who are legally compelled to provide regular service in U.S. Coast Guard without receiving compensation due to lapse of federal appropriations and who would otherwise be eligible for unemployment compensation for ex-service members under federal law. Appropriates moneys to Employment Department for purposes of paying benefits and costs necessary to administer benefit program. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-5 Replaces measure. Entitles individuals in active military service or employed by United States to unemployment benefits if individual is required to perform services without compensation due to lapse in federal appropriation and would otherwise be eligible for federal unemployment benefits. Terminates benefits upon individual receiving wages on regular payday or permanently ceasing federal employment. Includes back pay as earnings in determination of benefit amount. Authorizes Director of Employment Department to bring civil action to recover erroneous overpayments without interest if not repaid by claimant within five years. Establishes State Benefits for Federal Workers Fund. Authorizes Fund to accept moneys appropriated by Legislature and recovered overpayments. Appropriates \$1 to Fund for biennium ending June 30, 2019. Authorizes Fund to pay benefits to extent funds are available. Requires Director to waive overpayment recovery upon specified finding. Declares emergency, effective on passage.

##### **BACKGROUND:**

A lapse of appropriation occurs when the US federal government fails to enact appropriation bills or continuing resolutions to fund federal government agencies and programs. During a lapse, affected units are required to curtail agency activities and services, close down non-essential operations, furlough non-essential workers, and only retain essential employees in departments covering the safety of human life and/or protection of property. Essential workers must continue to work but do not receive a paycheck. Since 1980, there have been approximately ten federal lapses of appropriations where non-essential workers were furloughed and essential workers required to work without pay.

Senate Bill 722 would authorize the Director of the Employment Department to include essential federal workers and Coast Guard employees in class of persons eligible to receive unemployment insurance benefits when a federal lapse of appropriation occurs.