

HB 3206 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 3/17

WHAT THE MEASURE DOES:

Expands permissible use of Employment Department Special Fraud Control Fund to include payment of costs associated with federal Lost Wages Assistance Program. If Fund is used to reimburse the Federal Emergency Management Agency for overpayment of benefits under the Lost Wages Assistance Program, amounts collected from the benefit recipient shall be deposited in the Fund. Allows the Department to collect overpayments in same manner overpayment of regular benefits are collected. Allows Department to waive collection of overpayments if administratively impracticable to pursue. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Employment Department Special Fraud Control Fund consists of interest and penalties collected from individuals who received unemployment insurance benefits to which they were not entitled due to false statements of misrepresentations. The Fund also consists of any gifts to, interest on, or profits earned by the Fund. Amounts in the Fund are to be used for administrative costs associated with the prevention, discovery, and collection of unemployment insurance overpayments.

The Lost Wage Assistance Program was administered by the Employment Department through a grant agreement with the Federal Emergency Management Agency (FEMA).

House Bill 3206 allows Employment Department Special Fund Fraud Fund to pay costs associated with the Lost Wages Assistance Program. If any amounts from the Fund are used to reimburse FEMA for overpayments of benefits under the Lost Wages Assistance program, the Department can collect overpayments from the benefit recipient and deposit those monies in the Fund. The measure gives the Department's director discretion to waive collection of overpayment if it is determined that it is administratively impracticable to pursue collection.