

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT (CORRECTED)
LB1020

Hearing Date: Monday February 01, 2010
Committee On: Business and Labor
Introducer: Lathrop
One Liner: Change provisions relating to benefit eligibility under the Employment Security Law

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 7 Senators Carlson, Council, Lathrop, McGill, Schilz, Wallman, White
Nay:
Absent:
Present Not Voting:

Proponents:

Senator Steve Lathrop
Ron Sedlacek
Bob Hallstrom
Ken Mass
Jennifer Carter
Dacia Kruse

Representing:

Introducer
Nebraska Chamber of Commerce
NFIB
NE State AFL-CIO
Nebraska Appleseed
Greater Omaha Chamber

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 1020 makes a technical change to section 48-627. It merely replaces Commissioner of Labor with Commissioner.

Explanation of amendments:

Background: The American Recovery and Reinvestment Act was signed into law on February 17, 2009. Part of this law includes the Unemployment Insurance Modernization Incentive Act ("UIMA"). A total of \$7 billion dollars was earmarked to states that have certain unemployment eligibility provisions in their laws. Nebraska's share is \$43.6 million dollars that would be deposited in our unemployment trust fund. In order to receive the funds, Nebraska must make statutory changes that will extend benefits to more people which will further deplete the unemployment trust fund. Extending benefits will result in a permanent tax increase to businesses unless benefits are equally reduced in qualification areas not affected by UIMA.

To qualify for the first third of the money, Nebraska must adopt the "alternative base period". To qualify for the remaining two-thirds, Nebraska must adopt two of the following four benefit options: 1) part-time workers who are denied benefits because they are required to seek full-time work; 2) individuals who leave work due to family reasons including domestic violence; 3) permanently laid-off workers who require additional benefits to participate in training; and 4) benefits for workers who care for dependent family members. After legislation is passed, the Department of Labor must apply to the U.S. Department of Labor for the funds. States have until August of 2011 to apply for the funds.

Alternative Base Period: Nebraska does not utilize an alternative base period. In order to qualify for unemployment benefits, one must make a certain amount of money in the base period. This requirement ensures that the individual has enough of an attachment to the workforce to justify benefits. In Nebraska, an individual must make the minimum monetary requirement in the first 4 of the 5 most recently completed calendar quarters. The alternative base period allows an individual who did not meet the monetary requirement in the first 4 quarters to use an alternative base period of the 4 most recently completed quarters.

Benefit Options: In the past weeks, representatives of both business and labor have met to jointly agree on which benefit options should be adopted and what other statutory changes to benefits must be made to make the receipt of the federal money revenue neutral.

Details:

Section 1: makes technical changes to section 48-601.

Section 2: adopts the alternative base period to allow an individual who does not meet the monetary requirement for benefits in the first 4 of the most recent 5 quarters to use the last 4 completed quarters.

Section 3: adopts the part-time option by allowing individuals to seek part-time work and still be eligible for benefits. The majority of the individual's base period must be comprised of part-time work. The individual must be available for at-least 20 hours of part-time work. Section 3 additionally increases the total sum of wages earned in a base period to \$3,700 and one high quarter from \$800 to \$1,850.

Section 4: increases from 12 to 13 weeks the disqualification length for those that voluntarily quit a job without good cause. Increases from 1 to 2 weeks the disqualification length for those that voluntarily quit a job for a better job that does not last. Increases from 12 to 14 weeks the disqualification length for those that have been discharged for misconduct.

Section 5: adopts necessary changes for those who have exhausted all regular unemployment benefits, but is enrolled in an approved training program.

Section 6: makes technical changes to comport with section 5.

Section 7: sets an operative date of July 1, 2011.

Section 8: repealer.

Steve Lathrop, Chairperson