

BILL ANALYSIS

Senate Research Center
81R8142 KSD-D

S.B. 945
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Economic Development
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of this legislation is to help more deserving Texans qualify for unemployment insurance benefits (UI) if they are unemployed through no fault of their own. This legislation would allow more Texans to utilize the alternative base period (ABP), as opposed to the standard base period, in order for a person's most recent earnings to be considered when calculating their benefit amount. This legislation also would extend UI to persons seeking part-time work, as well as to persons who are unemployed due to spouse relocation, outside of military service.

While the Bureau of Labor Statistics reports that the unemployment rate for the State of Texas is lower than the national average, the unemployment rate in Texas still has steadily increased in recent years. Less than half of all unemployed Texans are eligible for UI given the requirements outlined by the Texas Workforce Commission (TWC), the agency responsible for distributing UI.

A person is only guaranteed benefits if he, she, or a dependant has a medical illness, personal injury, disability, or is pregnant. Additionally, if a person is forced to move because of a spouse's involvement in the armed forces, the person is eligible to receive benefits. Currently, TWC requires that, to qualify for UI, persons are required to actively seek and be available for full-time work. This requirement excludes anyone who may be seeking part-time work due to domestic reasons, such as staying home to raise small children, as well as those who have a history of working part-time. Because there is a shrinking pool of full-time jobs, this restriction keeps workers unemployed for a longer period of time.

When determining a person's eligibility for UI, the first four of the last five completed calendar quarters only are taken into consideration when calculating a person's benefit total. This period of time is known as the standard base period, which disregards a person's most recent earnings. In certain cases, such as a prolonged unemployment due to illness or injury, an ABP has been used. When using the standard base period to determine eligibility of UI benefits, a worker is required to have received benefits in two of the four considered quarters. If wages are only accrued in the last two of the five most recent quarters since unemployment was filed, then the worker does not qualify for unemployment benefits at all.

As proposed, S.B. 945 expands eligibility of UI provided by current law to certain persons using the ABP, certain persons seeking part-time work, and certain persons who are unemployed because of spouse relocation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 201, Labor Code, by adding Section 201.013, as follows:

Sec. 201.013. DEFINITION OF BASE PERIOD; ALTERNATE BASE PERIODS. (a) Provides that for the purposes of this subtitle and subject to this section, an individual's base period is the four consecutive completed calendar quarters, prescribed by the Texas

Workforce Commission (TWC), in the five consecutive completed calendar quarters preceding the first day of an individual's benefit year.

- (b) Provides that for an individual precluded because of a medically verifiable injury or illness from working during a major part of a calendar quarter of the period that would otherwise be the individual's base period under Subsection (a), the base period is the first four calendar quarters of the five consecutive calendar quarters preceding the calendar quarter in which the illness began or the injury occurred if the individual files an initial claim for benefits not later than 24 months after the date on which the individual's injury or illness began or occurred.
- (c) Provides that for an individual who does not have sufficient benefit wage credits to qualify for benefits under the computation of the base period as provided by Subsection (a) or (b), the base period is the four most recently completed calendar quarters preceding the first day of the individual's benefit year.

SECTION 2. Amends Section 207.021, Labor Code, by adding Subsection (d), to provide that an individual is available for work for purposes of Subsection (a)(4) (relating to being eligible for benefits if an individual is available for work) even if the individual is available only for part-time work if the individual establishes to the satisfaction of TWC that the individual has legitimate reason to limit the individual's employment to part-time work and the individual's last work was part-time work.

SECTION 3. Amends Section 207.045(d), Labor Code, as follows:

- (d) Prohibits an individual who is available for work, notwithstanding any other provision of this section, from being disqualified for benefits because the individual left work because of a move to a location from which it is impractical for the individual to commute that was made with the individual's spouse who is not a member of the armed forces of the United States and resulted from a change in the location of the spouse's employment. Makes a nonsubstantive change.

SECTION 4. Repealer: Sections 201.011(1) (relating to the definition of "base period") and 207.045(c) (relating to disqualification for benefits), Labor Code.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2009.