

BILL ANALYSIS

C.S.H.B. 1995
By: Reynolds
Economic & Small Business Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Workforce Commission (TWC) administers unemployment compensation benefits in Texas. As a condition of eligibility for receiving unemployment compensation, an individual must be actively seeking work in accordance with certain TWC rules governing this eligibility requirement. Recent federal legislation mandated that states place a work search requirement in state statute, and there is concern that failure to make this change could result in the state losing federal funding for the administration of the unemployment compensation program. C.S.H.B. 1995 seeks to make the necessary changes to state law to ensure that the federal funding continues.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1995 amends the Labor Code to specify that, except as provided by statutory provisions related to the shared work unemployment compensation program, an unemployed individual is eligible to receive unemployment compensation benefits for a benefit period if the individual is actively seeking work in accordance with rules adopted by the Texas Workforce Commission, in addition to meeting other specified conditions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1995 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 207.021(a), Labor Code, is amended to read as follows:

(a) Except as provided by Chapter 215, an unemployed individual is eligible to receive benefits for a benefit period if the individual:

(1) has registered for work at an employment office and has continued to

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 207.021(a), Labor Code, is amended to read as follows:

(a) Except as provided by Chapter 215, an unemployed individual is eligible to receive benefits for a benefit period if the individual:

(1) has registered for work at an employment office and has continued to report to the employment office as required

report to the employment office as required by rules adopted by the commission;

- (2) has made a claim for benefits under Section 208.001;
- (3) is able to work;
- (4) is available for and actively seeking work;
- (5) for the individual's base period, has benefit wage credits:
 - (A) in at least two calendar quarters; and
 - (B) in an amount not less than 37 times the individual's benefit amount;
- (6) after the beginning date of the individual's most recent prior benefit year, if applicable, earned wages in an amount equal to not less than six times the individual's benefit amount;
- (7) has been totally or partially unemployed for a waiting period of at least seven consecutive days; and
- (8) participates in reemployment services, such as a job search assistance service, if the individual has been determined, according to a profiling system established by the commission, to be likely to exhaust eligibility for regular benefits and to need those services to obtain new employment, unless:
 - (A) the individual has completed participation in such a service; or
 - (B) there is reasonable cause, as determined by the commission, for the individual's failure to participate in those services.

No equivalent provision.

by rules adopted by the commission;

- (2) has made a claim for benefits under Section 208.001;
- (3) is able to work;
- (4) is available for work;
- (5) is actively seeking work in accordance with rules adopted by the commission;
- (6) for the individual's base period, has benefit wage credits:
 - (A) in at least two calendar quarters; and
 - (B) in an amount not less than 37 times the individual's benefit amount;
- (7) [~~(6)~~] after the beginning date of the individual's most recent prior benefit year, if applicable, earned wages in an amount equal to not less than six times the individual's benefit amount;
- (8) [~~(7)~~] has been totally or partially unemployed for a waiting period of at least seven consecutive days; and
- (9) [~~(8)~~] participates in reemployment services, such as a job search assistance service, if the individual has been determined, according to a profiling system established by the commission, to be likely to exhaust eligibility for regular benefits and to need those services to obtain new employment, unless:
 - (A) the individual has completed participation in such a service; or
 - (B) there is reasonable cause, as determined by the commission, for the individual's failure to participate in those services.

SECTION 2. Section 207.0212(b), Labor Code, is amended to read as follows:

(b) Notwithstanding Section 207.021, the governor, by executive order, may suspend the waiting period requirement imposed under Section 207.021(a)(8) [~~207.021(a)(7)~~] to authorize an individual to receive benefits for that waiting period if the individual:

- (1) is unemployed as a direct result of a natural disaster that results in a disaster declaration by the president of the United States under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5121 et seq.);
- (2) is otherwise eligible for unemployment compensation benefits under this subtitle; and
- (3) is not receiving disaster unemployment assistance benefits for the period included in

that waiting period.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 3. Same as introduced version.