

BILL ANALYSIS

H.B. 157
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

While there is support for the shared work unemployment compensation program as an alternative to layoffs, concerns have been raised regarding provisions of related state law that contribute to relatively few employers enrolling in the program. The program allows employers to supplement their employees' wages lost because of reduced work hours with partial unemployment benefits. Under the program, employers can reduce normal weekly work hours for employees in an affected unit by a certain amount, and unemployment benefits are payable to employees who qualify for and participate in an approved shared work plan. Employees who qualify receive both wages and shared work unemployment benefits. There are concerns that the limited hours eligible for coverage under the program contributes to the underutilization of the program, which keeps workers connected with employers so that when economic conditions improve, employers can increase their hours again without having to rehire and train. H.B. 157 seeks to resolve this issue by raising the cap on the reduced hours eligible for this program from the current 40 percent to the federally allowed 60 percent to expand the viability of the program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 157 amends the Labor Code to raise from 40 percent to 60 percent the cap on the reduced normal weekly hours of work of an employee participating in a shared work plan under the shared work unemployment compensation program for purposes of plan approval and shared work benefit eligibility.

H.B. 157 establishes that a plan modification submitted to the Texas Workforce Commission (TWC) on or after the bill's effective date that modifies a plan approved by the TWC before that date and would reduce an individual's normal weekly hours of work more than 40 percent is considered to be a substantial modification under applicable statute and thus the modified plan must be evaluated and approved by the TWC before implementation.

EFFECTIVE DATE

September 1, 2021.