

BILL ANALYSIS

C.S.H.B. 3620
By: Turner, Chris
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texans find themselves limited by the provisions of current unemployment law, which keeps the system from creating good incentives and propping up the Texas economy to the fullest extent possible. There have been calls for improvements to the unemployment insurance system in order to respond to weaknesses exposed by the COVID-19 pandemic and to ensure that Texas maintains a stronger system moving forward.

Texans who lose their job, through no fault of their own, should not worry about having to barely keep their heads above water while seeking employment. There is an immediate need to make the system work better for employers and employees alike. C.S.H.B. 3620 seeks to address these issues by revising the eligibility for and computation of certain unemployment benefits.

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 rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 4 of this bill.

ANALYSIS

C.S.H.B. 3620 amends the Labor Code to revise provisions relating to unemployment compensation benefits under the Texas Unemployment Compensation Act. The bill removes as a benefit eligibility condition the requirement for an individual to be totally or partially unemployed for a waiting period of at least seven consecutive days. The bill includes the following as circumstances under which work is considered not suitable and for which an individual may not be denied benefits for refusing to accept the work:

- the place of performance of the work offered is in violation of federal, state, or local protocols relating to the spread of infectious diseases, including COVID-19; or
- the work offered presents an unreasonable risk of exposure to infectious diseases, including COVID-19, that cannot be mitigated with reasonable care.

The bill revises the calculation of a partial unemployment benefit so the amount is computed by adding the individual's benefit amount and 25 percent of the maximum weekly benefit amount for total unemployment. The bill removes the alternative calculation for the benefit to be computed by adding the individual's benefit amount and \$5, if that amount is greater.

C.S.H.B. 3620 requires the Texas Workforce Commission (TWC) to provide to an individual, as soon as practicable after the individual files an initial claim for benefits, a written notice containing general information about eligibility and enrollment for health care insurance coverage under the federal Patient Protection and Affordable Care Act as amended by the federal

Health Care and Education Reconciliation Act of 2010. The bill requires the TWC to adopt rules for the form and content of the notice.

C.S.H.B. 3620 increases the maximum reduction of an employee's normal weekly hours of work under a shared work plan from 40 percent to 60 percent for the purposes of plan approval and shared work benefit eligibility. The bill requires the TWC to provide at least annually written notice to employers regarding the shared work program that includes a description of the benefits available and shared work plan requirements.

C.S.H.B. 3620 repeals the following provisions of the Labor Code:

- Sections 207.021(b) and (c), establishing that a week may not be counted as a waiting period week for the purposes of benefit eligibility and establishing the conditions under which an individual is eligible to receive benefits on the individual's waiting period claim; and
- Section 207.0212, regarding the eligibility for benefits of certain persons unemployed because of disaster.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3620 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include the following provisions, which were present in the original:

- provisions defining an individual's base period and establishing alternative base periods under the act;
- provisions establishing a temporary waiver of certain benefit eligibility conditions for purposes of authorizing an otherwise eligible individual to receive benefits;
- a prohibition against the TWC seeking to recover the amount of certain improper benefits;
- a provision revising the conditions under which an individual is disqualified for benefits in a benefit period in which the individual's unemployment is caused by a labor dispute;
- a provision increasing the total extended benefit amount payable to an eligible individual for the individual's eligibility period from 50 percent of the total amount of regular benefits that were payable to the individual in the applicable benefit year to 60 percent of that amount;
- a provision repealing the definition of "base period" for purposes of the act; and
- saving provisions for eligibility for unemployment compensation benefits and for a filed claim for extended unemployment compensation benefits.

The substitute includes the following provisions, which were absent from the original:

- a provision removing as a benefit eligibility condition the requirement for an individual to be totally or partially unemployed for a waiting period of at least seven consecutive days to become eligible for benefits;
- a change to the method by which the amount of a partial unemployment benefit is calculated;
- an increase of the maximum reduction of an employee's normal weekly hours of work under a shared work plan from 40 percent to 60 percent for the purposes of plan approval shared work benefit eligibility;
- a requirement for the TWC to provide at least annually written notice to employers regarding the shared work program that includes a description of the benefits available and shared work plan requirements;

- a provision repealing provisions establishing that a week may not be counted as a waiting period week for the purposes of benefit eligibility and establishing the conditions under which an individual is eligible to receive benefits on the individual's waiting period claim;
- a provision repealing a provision regarding the eligibility for benefits of certain persons unemployed because of disaster; and
- a saving provision for an initial shared work plan or a shared work plan modification.