

## STATEMENT OF PURPOSE

RS31114 / H0480

This legislation modifies the maximum duration of regular unemployment benefits and simplifies the existing complex benefit duration formula. Current law uses two variables to determine whether an unemployment claimant is eligible for between 10 and 26 weeks of benefits. This legislation proposes that for part-time workers a flat maximum of 10 weeks of benefits should be available, and for full-time workers a flat maximum of 14 weeks of benefits should be available. Furthermore, this bill allows for "attached" employees, or seasonal employees, to be eligible for an additional 6 weeks of benefits. This will help address the ongoing worker shortage in Idaho promoting a faster return to work for recently unemployed workers.

## FISCAL NOTE

This legislation should create modest savings for the unemployment trust fund right now, while creating significant savings during periods of brief economic downturn. Since a claimant can currently stay on benefits for up to 26 weeks and the Idaho Department of Labor reports that 30% of unemployment claimants currently exhaust benefits before returning to work, establishing a 14 week maximum benefit duration will create a cost savings. If conditions are similar to what was observed during the Great Recession, cost savings could reach up to \$50 million per year. Since unemployment claims are tied to economic conditions the savings created by this legislation will vary from year to year, but the net impact will be positive for the solvency of the unemployment insurance trust fund.

### Contact:

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).