

REVISED

STATEMENT OF PURPOSE

RS31330 / H0558

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 establishes a maximum of 10 weeks of benefits for part-time workers, and 14 weeks of benefits for full-time workers. Additionally, for full-time workers who are job attached and seasonally unemployed, an additional 2 weeks of benefits is available (for a total of 16 weeks of benefits for job attached full-time workers waiting to be recalled to work). The additional 2 weeks of benefits are not available for part-time workers. Reducing the maximum duration of unemployment benefits will promote faster re-employment for unemployed workers and help address the ongoing worker shortage in Idaho.

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 over 16 weeks and the Idaho Department of Labor reports that 30% of unemployment claimants currently exhaust benefits before returning to work, establishing a 10-week and 14-week maximum benefit duration (depending on part-time or full time employment history) will create a cost savings. According to an analysis by the Idaho Department of Labor, H558 would have saved the unemployment trust fund \$363 million during the Great Recession (2008-2016), an average annual savings of \$40 million. During times of economic expansion (2017-2023), H558 would have provided \$20 million in savings, an annual savings of \$3 million. 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. The department estimates a one time-cost to implement the changes of \$236,300 in programming and outreach costs.

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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).