

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Transportation and Economic Development Subcommittee

From: Michelle Deister, Legislative Fiscal Office

Date: June 10, 2021

Subject: HB 3389 – Relating to Unemployment Insurance
Work Session Recommendations

House Bill 3389 House Bill 3389 extends the look-back period used to determine the Unemployment Compensation Trust Fund solvency level from 10 years to 20 years. The bill specifies that employer experience ratings that were used for determination of 2020 UI tax amounts can be used to determine rates for tax years 2022-2024, and provides for deferral of unemployment insurance taxes in certain circumstances for qualifying employers.

This bill was referred by Senate Business and Labor to Ways and Means on May 24, 2021. The Employment Department will require \$500,845 Other Funds and 17 limited duration positions (2.75 FTE) in the 2021-23 biennium. The costs are associated with associated with documenting changes to business processes for incorporation into its UI modernization IT project; programming changes for the agency's existing technology system; setting up, monitoring and processing refunds for accounts eligible for deferral; and determining continued eligibility.

The fiscal impact of the bill is posted to OLIS.

Recommended Changes

LFO recommends adoption of the -1 amendment, which provides expenditure limitation for the Employment Department to administer the provisions of this bill.

Final Subcommittee Action

LFO recommends that HB 3389 as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____