

HB 1678 -- MISSOURI STATE UNEMPLOYMENT COUNCIL

SPONSOR: St. Onge

COMMITTEE ACTION: Voted "do pass" by the Committee on Small Business by a vote of 15 to 0.

This bill creates the Missouri State Unemployment Council, which will annually report to the Governor and the General Assembly recommendations on pertinent legislation, the status and projected maintenance requirements for solvency of unemployment insurance, and the adequacy of unemployment compensation. The Division of Employment Security will provide the council with access to the division's records, services required, employee testimony, and recommendations on relevant legislation and rules. The council may, except if prohibited by a concurrent resolution of the General Assembly, commission an outside study of the solvency, adequacy, and staffing and operational efficiency of the Missouri unemployment system. The first study is authorized to begin in Fiscal Year 2005 and a successor study every five years thereafter. The commission's composition, terms, appointment requirements, and voting and nonvoting designations are specified.

FISCAL NOTE: No impact on General Revenue Fund in FY 2005, FY 2006, and FY 2007. Estimated Cost on Other State Funds of Up to \$100,000 in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that the bill will create the Missouri State Unemployment Council and provide an independent review of Missouri's unemployment compensation statutes with the hope of recommending meaningful solutions to the problems this fund faces. Currently, the unemployment fund is insolvent; and there has never been a long-term solution for this problem.

Testifying for the bill were Representative St. Onge; St. Louis Area Contractors Association; Site Improvement Association; Associated Industries of Missouri; and National Federation of Independent Business.

OPPOSERS: There was no opposition voiced to the committee.

Karla Strobel, Legislative Analyst