

HCS HB 649 -- EMPLOYMENT SECURITY

SPONSOR: Shaul

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Economic Development by a vote of 6 to 3. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 6 to 3.

The following is a summary of the House Committee Substitute for HB 649.

This bill changes the average unemployment rate requirement in order for an insured worker to receive unemployment compensation benefits to:

- (1) Twenty weeks if the Missouri average unemployment rate is higher than 9%;
- (2) Nineteen weeks if the Missouri average unemployment rate is higher than 8.5% but no higher than 9%;
- (3) Eighteen weeks if the Missouri average unemployment rate is higher than 8% but no higher than 8.5%;
- (4) Seventeen weeks if the Missouri average unemployment rate is higher than 7.5% but no higher than 8%;
- (5) Sixteen weeks if the Missouri average unemployment rate is higher than 7% but no higher than 7.5%;
- (6) Fifteen weeks if the Missouri average unemployment rate is higher than 6.5% but no higher than 7%;
- (7) Fourteen weeks if the Missouri average unemployment rate is higher than 6% but no higher than 6.5%;
- (8) Thirteen weeks if the Missouri average unemployment rate is higher than 5.5% but no higher than 6%; and
- (9) Twelve weeks if the Missouri average unemployment rate is at or below 5.5%.

All necessary rules and regulations for the administration of this section will be established by the Division of Employment Security within the Department of Labor and Industrial Relations (Section 288.060, RSMo).

These provisions are the same as HB 2039 (2020).

A portion of this bill is to be known as the "Employment Security Program Integrity Act of 2021" and requires the Division of Employment Security (DES) of the Department of Labor and Industrial Relations (DOLIR) to engage with and utilize the Integrity Data Hub designed and published by the UI Integrity Center of the National Association of State Workforce Agencies to ensure the integrity of state employment security rolls.

The bill requires DES to check rolls on a weekly basis against a list provided by the Missouri Department of Corrections to verify eligibility of benefit claimants. The bill requires DES to attempt to recover all outstanding overpayments and develop policies to pursue the recovery of fraudulent and improper overpayments. DES will annually submit a written report by December 31st to the General Assembly as outlined in the bill. The bill requires that DES enter into a cooperative agreement with the office of Inspector General of the US Department of Labor to be proactive in detecting and investigating employment security fraud and to check new-hire records against the records in the National Directory of New Hires (Section 288.104).

These provisions are similar to HB 649 (2021).

The bill has a delayed effective date of January 1, 2022.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

**PROPONENTS:** Supporters say that this bill will incentivize individuals to seek employment when the unemployment rate is lower and more jobs are available to unemployed individuals.

Testifying for the bill were Representative Shaul; Arnie Dienoff; National Federation of Independent Business (NFIB); Mo Grocers Association; Mo Retailers Association; Mo Tire Industry Association; Associated Industries of Missouri; and Opportunity Solutions Project.

**OPPONENTS:** Those who oppose the bill submitted written online testimony.

Testifying against the bill was Missouri AFL-CIO.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.