

**1999 HOUSE INDUSTRY, BUSINESS AND LABOR**

**HB 1092**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1092

Industry, Business and Labor

Conference Committee

Hearing Date Jan. 13, 1999

Tape Number	Side A	Side B	Meter #
1	x		32.2
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes:

HB 1092 Unemployment compensation benefits waiting periods.

Chairman Berg opened the hearing on HB 1092.

Ms. Jennifer Gladden, Job Service ND, testified in support of the bill.

(see attached written testimony)

Discussion and questions followed the testimony. Chairman Berg asked when statistics for 1998 would be available. The response was that 7-99 would be time for the figures. Question on employees that are out of work as result of disaster. Ms. Gladden responded that the bill would not affect them because it was a natural disaster. Representative Keiser questioned why the burden was on employees to file timely. The ad hoc group did brain storming on methods of reducing costs and provided these ideas. Ms. Gladden requested Mr. Hirsh to comment on

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Business, Industry and Labor

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some of questions because of his expertise. He stated that in ND, many employees are laid off for only short term and the waiting period would be compensated. Representative Kempenich asked what was a base period employer. Ms. Gladden responded that this employer is the one during the 1st period of employment. Representative Kaiser will obtain some information on past employee job success to determine costs for the committee to consider. Representative Johnson discussed the numbers included in the study.

Mr. David Kemnitz, President of ND AFL-CIO, testified in support of the bill. There was some concern, however, about the 1 week waiting period, that his group believes should be paid.

Chairman Berg closed the hearing on the bill.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1092

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2-11-99

Tape Number	Side A	Side B	Meter #
1	x		2775 - 3197
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes: Discussion on bill 1092.

Chairman Berg explains the purpose of the bill. If a person gets a job within four weeks of becoming unemployed they would receive an incentive by receiving the first week's benefits.

Rep. Keiser: I think the employees are trying to find work now and although the intentions of this bill are good, and I'd like to encourage type of thinking, I don't think this bill would really have a positive affect.

Rep. Froseth: What was the fiscal note on this bill? Is it over one million dollars for these next two years?

Chairman Berg: Yes.

Rep. Glassheim: If we do defeat this it would be good to send the council a note that their efforts to reduce the average duration is good and we want to encourage this.

There was no further discussion.

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House Industry, Business and Labor Committee

Bill/Resolution Number Hb 1092

Hearing Date 2-11-99

**Action on bill:**

Rep. Froseth made a motion for a Do Not Pass.

Rep. Lemieux seconded the motion.

The vote was 14 yea, 0 nay, 1 absent, motion carries.

Rep. Keiser will carry the bill.

**FISCAL NOTE**

(Return original and 10 copies)

Bill/Resolution No: HB 1092 Amendment To: \_\_\_\_\_

Requested by Legislative Council Date of Request: 12-29-98

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities and school districts.

**Narrative:** The payment of the one week waiting period is intended to generate an overall savings to the state's unemployment insurance fund. Based on data from program year 1997, a total of 4,774 individuals who were not expected to return to their former employer or were flood related filed claims for unemployment insurance. Their average duration of benefits for these claimants was 12.8 weeks. Based on 10% returning to work during the fourth week of filing a claim, the savings to the trust fund is estimated to be \$1,398,000 for the 1999-2001 Biennium and \$1,578,000 for the 2001-03 biennium. Estimated savings to the State Benefit Fund would be \$24,200 in the 1999-2001 biennium and \$27,300 in the 2001-03 biennium. The special fund for HB 1092 is the Unemployment Compensation Fund. We cannot breakout Counties, Cities and School Districts.

2. State fiscal effect in dollar amounts:

	1997-1999 Biennium		1999-2001 Biennium		2001-2003 Biennium	
	General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
Revenues:	0	0	0	0	0	0
Expenditures:	0	0	0	(\$1,422,200)	0	(\$1,605,300)

3. What, if any, is the effect of this measure on the appropriation for your agency of department.
- a. For rest of 1997-99 biennium: 0
- b. For the 1999-2001 biennium: 0
- c. For the 2001-03 biennium: 0

4. County, City and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
-0-			-\$24,900			-\$28,100		

If additional space is needed, attach a supplemental sheet.

Signed Wayne G. Kindem

Typed Name WAYNE G. KINDEM

Department JOB SERVICE NORTH DAKOTA

Date Prepared: 1-5-99 Phone Number 328-3033

Date: 1-18-99  
 Roll Call Vote #: 1

**1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 1092**

House Industry, Business and Labor Committee

Subcommittee on \_\_\_\_\_  
 or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken do not pass

Motion Made By Froeth Seconded By Lemieux

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe	/	
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froeth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein					
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/	<del>1</del>			
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Keiser

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
February 12, 1999 9:05 a.m.

Module No: HR-29-2664  
Carrier: Keiser  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1092: Industry, Business and Labor Committee (Rep. Berg, Chairman)** recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1092 was placed on the Eleventh order on the calendar.



**1999 TESTIMONY**

**HB 1092**

**HOUSE BILL 1092**  
**HOUSE OF REPRESENTATIVES**  
**INDUSTRY, BUSINESS & LABOR COMMITTEE**  
**REPRESENTATIVE RICK BERG, CHAIRMAN**  
**JANUARY 13, 1999**

Mr. Chairman, members of the committee. My name is Jennifer Gladden, Executive Director, Job Service North Dakota. House Bill 1092 amends North Dakota Century Code 52-06-01, Subsection 4.

This bill provides for the payment of the non-compensable waiting period week when a claimant finds and accepts full-time, permanent employment within four weeks of filing their initial claim for unemployment compensation benefits if the employment is with a different employer not a base period employer or the most recent employer. Payment of the waiting period week is also contingent upon the claimants timely filing for the waiting period week and the claimant being employed with the different employer for a period of at least four weeks.

Currently, all people who file an initial claim for unemployment compensation must serve a one week, non-compensated waiting period. During the waiting period week, the claimant must be eligible for benefits and be able, available, and seeking full-time work.

Mr. Chairman, members of the committee, this amendment is offered as a result of recommendations from an Unemployment Insurance Issues Ad Hoc Workgroup which I appointed to look at issues related to the unemployment compensation program. The workgroup consisted of representation from business, organized labor, and a member of the North Dakota Legislature.

This amendment would provide an incentive for claimants to encourage them to begin an aggressive work search immediately upon becoming unemployed rather than conducting a less than aggressive work search with the idea of taking a couple of weeks off. This amendment would support the reemployment initiative of Job Service North Dakota, which attempts to identify individuals who, at the time they file a claim for benefits, may be in need of intensive services in order to become re-employed and to provide these services to them.

Based on data from Program Year 1997, a total of 20,878 individuals filed and were paid benefits under the unemployment insurance program. 10,769 of these individuals indicated they were returning to their former employer as soon as work was available. 5,335 of these individuals filed short-term, flood-related claims. 4,774 of these individuals who filed and were paid benefits under the unemployment insurance program were not expected to return to their former employer. The average duration of benefits for these claimants was 12.8 weeks. Based on an assumption of 10% of these claimants finding employment and returning to work during the fourth week of filing their initial claim for benefits, the savings to the unemployment insurance trust fund would be \$1,398,000 for the 1999-2001 biennium. I want to caution you when I suggest this 10% figure. We have no empirical data to substantiate such an estimate. There is no history upon which to base this estimate. It is used strictly to show that a savings could be experienced.

Job Service North Dakota's goal is to ensure all claimants receive the level of service needed to help them return to work as quickly as possible. I would expect our reemployment efforts to result in many more claimants returning to work sooner, thus reducing the average duration of benefits paid out resulting in greater savings to the trust fund. This amendment provides incentives to support our reemployment initiative by rewarding those claimants who pursue a "Work First" approach.

Mr. Chairman, this concludes my testimony. I will try to answer any questions from the committee. Thank you.