

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2304

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2304

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2304

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 07, 2001.

Tape Number	Side A	Side B	Meter #
1	x		0 to 23.1
3	x		1.5 to 13.8
Committee Clerk Signature <i>Douglas P. Perry</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB 2304 relating to unemployment compensation benefit amounts and maximum potential benefits.

SENATOR JOEL HEITKAMP, District 27, main sponsor. This bill will benefit those workers whose irregular earning patterns leave them without benefits. Under this bill they would qualify.

Example: construction workers, they have no control over the weather and get laid off.

MIKE DEISZ, ND Building and Construction Trades Council, in support. Reviewed eligibility determination and how the proposed changes would work. Written testimony attached.

VIRGIL HORST, business agent for the Operating Engineers, in support. Seasonal workers get penalized under current law due to their working excessive hours in uneven quarters, this bill will correct that. Written testimony attached.

REPRESENTATIVE ANDREW MARAGOS, District 3, in favor.

DAVID KEMNITZ, NDAFL-CIO, in favor.

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Senate Industry, Business and Labor Committee

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SENATOR MUTCH: How many employees would be affected?

D KEMNITZ: Between 137 and 170.

SENATOR MUTCH: And this would create over a million dollar hit on employers.

SANDIE FERDERER, unemployed construction worker in favor of this legislation. This bill will help employees stay in the state.

RAY GUDAJTES, JSND, neutral, to explain fiscal note. We do not have a true picture because many people do not apply because they know they are not eligible.

SENATOR KLEIN: Would adding individuals lower the reserve and raise premiums for the employers?

R GUDAJTES: Initially no, eventually yes, it will be additional cost to the fund. Employers pay up to a percentile on taxable wage base, anything beyond that is spread out to employers as part of insurance.

SENATOR MUTCH: What percentage would be spread out to employers?

R GUDAJTES: Depends on how much was drawn out by the employer.

SENATOR KLEIN: Did you study what other states have done?

R GUDAJTES: No, there are variations in eligibility criteria and structure among different states.

Hearing concluded.

Committee reconvened. Tape 3-A- 1.5 to 13.8

All committee members, except SENATOR KLEIN, present. Discussion held.

SENATOR KREBSBACH: Motion: send out of committee without recommendation.

SENATOR ESPEGARD: Seconded. Roll call vote: 6 yes; 1 absent not voting. Motion carried.

Floor assignment: SENATOR MUTCH.

FISCAL NOTE
 Requested by Legislative Council
 01/23/2001

Bill/Resolution No.: SB 2304

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$3,100	\$3,100	\$11,500	\$3,500	\$3,500	\$12,800

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The bill will reduce the monetary requirements to qualify for unemployment insurance benefits. Consequently, more individuals will now be eligible for benefits. Current claimant monetary determination is based on the individual's base period wage ratio (total base period wages/highest quarter wages), of 1.50 or more. This bill changes the qualifying base period wage ratio to 1.0. This will increase the amount of benefits that will be paid from the Unemployment Insurance Trust Fund.

We estimate the increased benefits for the 2001-03 biennium to be \$1,077,000 and \$1,200,000 for the 2003-05 biennium. This estimate only reflects what can be determined from the data we have in our system. Therefore, we expect the full impact of the change to be greater, however, we cannot determine that amount. Our system only has records for those individuals that had completed an application for unemployment insurance. In many cases, when an individual is made aware that they are not monetarily eligible, they choose not to complete the application or in other cases, individuals are familiar with the program requirements and do not attempt to apply.

The projected additional cost to state entities is \$14,600 for the 2001-2003 biennium and \$16,300 for the 2003-2005 biennium. Unemployment insurance records do not differentiate an account's ownership as city or county, they are grouped together as "local government". Consequently, the additional costs can only be projected for "local government". The amounts for City and County in Section 1B are an even split of the projected increase for "local government".

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Wayne Kindem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	01/31/2001

REPORT OF STANDING COMMITTEE (410)
February 8, 2001 8:15 a.m.

Module No: SR-23-2649
Carrier: Mutch
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

**SB 2304: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends
BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION (6 YEAS,
0 NAYS, 1 ABSENT AND NOT VOTING). SB 2304 was placed on the Eleventh order
on the calendar.**

