



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 604 (Substitute S-5 as reported by the Committee of the Whole)
Sponsor: Senator Curtis Hertel, Jr.
Committee: Government Operations (discharged)

CONTENT

The bill would amend the Michigan Employment Security Act to do the following:

- Extend, from December 31, 2020, to March 31, 2021, a sunset on a provision that prohibits a benefit paid to a claimant who is laid off or placed on a leave of absence from being charged to the employer's account.
- Specify that, with respect to benefit years beginning before April 1, 2021, instead of January 1, 2021, for each individual who files a claim for unemployment benefits and establishes a benefit year, not more than 26 weeks or less than 14 weeks of benefits would be payable and specify that this provision would be subject to available Federal money or a State appropriation.
- Extend, from December 31, 2020, to March 31, 2020, various sunsets pertaining to an employer's ability to apply to the Unemployment Insurance Agency (UIA) for approval of a shared-work program and the UIA's ability to approve a shared-work program.
- Specify that an individual's leaving his or her job would not disqualify the individual from receiving unemployment benefits if he or she were a victim of domestic violence who met the bill's requirements.
- Prohibit, until after March 31, 2021, benefits paid after a leaving described above from being charged to that individual's employer's experience account and, instead, require the benefits to be charged to the nonchargeable benefits account.
- Specify that an otherwise eligible individual would not be disqualified from receiving benefits if he or she demonstrated to the UIA that he or she left work because of domestic violence.
- Allow an individual to demonstrate to the UIA the existence of domestic violence by providing one or more documents, such as a restraining order, a police record of the domestic violence, or medical documentation of domestic violence.
- Prohibit the UIA from disclosing evidence of domestic violence experienced by an individual, including the individual's statement or corroborating evidence.

MCL 421.17 et al.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have a negative fiscal impact on the Michigan Unemployment Compensation Fund and a minor fiscal impact on the UIA. The inclusion of eligible individuals who demonstrated domestic violence, the extension of the number of unemployment insurance benefit weeks from 20 to 26 through March 31, 2021, and the extension on the period during which the UIA could approve a shared work plan, would result in increased payments from the Michigan Unemployment Compensation Fund. It is estimated that the extension of additional weeks of eligible benefits would cost \$250.0 million. The Unemployment Insurance Agency would experience costs to include the newly eligible individuals and to extend the

number of weeks of benefits; however, because of the current amount of activity at the Unemployment Insurance Agency, the additional costs likely would be absorbed into current operations and appropriations.

Date Completed: 12-10-20

Fiscal Analyst: Cory Savino