



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 406

PRINTERS NO. 1372

PRIME SPONSOR: Cox

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
Unemployment Compensation Trust Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Amends the Unemployment Compensation (UC) Law to require that the Department of Labor and Industry (DLI) reinstate the work search and registration requirements for unemployment claimants. This legislation would take effect immediately.

ANALYSIS: This legislation amends Section 401(b) of the UC Law to require that the DLI reinstate all work search and registration requirements waived as the result of COVID-19 no later than June 8, 2021 or fifteen days after the effective date, whichever is later.

FISCAL IMPACT: This legislation would reinstate the work search and registration requirements for an individual to be eligible for unemployment compensation. By reinstating those requirements, this would ensure individuals get back into the workforce and likely accept employment or become ineligible for unemployment compensation, therefore, reducing benefit payouts and saving funds from the Unemployment Compensation Trust Fund. According to the Department of Labor and Industry, any estimate of those savings is indeterminable at this point. The Department indicates that they cannot project savings due to a lack of the following metrics:

- The specific number of individuals that may find a job after completing work search requirements.
- The specific amount of time it will take individuals to transition off unemployment compensation into employment.
- The number of individuals that will be denied unemployment compensation for failing to complete work-search requirements.

According to the U.S. Department of Labor, Pennsylvania had 211,113 individuals who were receiving state-funded unemployment compensation benefits for the week ending May 8, 2021. For every 10% of individuals who are currently collecting benefits that are moved back into employment, this would result in savings of roughly \$123.9 million to the UC Trust Fund assuming average claim amounts and claim duration from calendar year 2019, or pre pandemic levels.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: May 25, 2021

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.