

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 250

PRINTER NO. 615

AMOUNT

\$15 Million FY 2016-17

\$15 Million Revenue Loss in FY 2016-17

FUND

Service and Infrastructure Improvement Fund

Unemployment Compensation Contribution Fund

DATE INTRODUCED

March 20, 2017

PRIME SPONSOR

Senator Ward

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 250 amends the Unemployment Compensation (UC) Law to provide for the transfer of up to \$15 million from employee contributions deposited in the Unemployment Compensation Contribution Fund (UC Fund) to the Service and Infrastructure Improvement Fund (SIIF) for calendar year 2017.

This legislation requires the Department of Labor and Industry (Department) to submit a report to the Chairs of the Senate and House Labor and Industry Committees before closing a UC call center. The report shall include the performance data and operating costs of the UC call center as compared to other UC call centers.

This bill clarifies that moneys in SIIF may be utilized for technological upgrades to the delivery system for UC benefits, as well as to improve the quality, efficiency, and timeliness of services provided by the UC service center system to individuals filing claims under the law; for information management technology, communications technology, and other infrastructure components; and to pay the costs of collecting SIIF contributions.

However, the \$15 million transfer authorized in this legislation shall only be used to improve the quality, efficiency, and timeliness of services provided by the UC service center system to individuals filing claims under the law and to pay the costs of collecting SIIF contributions.

This bill extends the deadline by which SIIF funds must be expended or obligated before otherwise being transferred to the UC Fund from December 31, 2018 to December 31, 2019. This bill extends the Department's reporting requirement detailing the expenditure of SIIF moneys through June 30, 2020, if funds are expended in the prior calendar year (2019).

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This legislation requires that before June 15, 2017, the Department will submit a report to the Chairs of the Senate and House Labor and Industry Committees. The report will detail the Department's plan to eliminate reliance on SIIF funds for recurring operational costs. The report will be accompanied by a request for funding for technological upgrades to the Department's UC benefit delivery system for years after 2017. The request will include all of the following:

- A detailed description of the technological upgrades;
- An explanation of the improvements to the UC benefits delivery system that will result from the technological upgrades;
- The total estimated cost of the technological upgrades, including the total estimated cost each year and any additional funding sources that can be used for the project;
- The total estimated cost savings that will result from the technological upgrades;
- The number of years that will be necessary for the Department to complete the technological upgrades;
- Information on any proposal received or contract executed for technological upgrades to the UC benefit delivery system, if the information is available to the public under the Right to Know Law; and
- A detailed description of how the technological upgrades will impact any related recommendations in a special performance audit by the Auditor General.

This legislation shall take effect immediately.

FISCAL IMPACT:

Immediately upon enactment of SB 250, the sum of up to \$15 million is transferred from employee contributions deposited in the UC Fund to the SIIF.