

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0883S.01I  
 Bill No.: SB 6  
 Subject: Employment Security; Department of Labor and Industrial Relations  
 Type: Original  
 Date: January 25, 2023

Bill Summary: This proposal creates the “Getting Missourians Back To Work Act.”

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue Fund*	\$0 or (\$460,839)	\$0 or (\$503,302)	\$0 or (\$511,296)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (\$460,839)</b>	<b>\$0 or (\$503,302)</b>	<b>\$0 or (\$511,296)</b>

\*Oversight notes the DOLIR states they will need additional FTE to implement the changes specified in the bill; however, §288.056.2 states the division shall utilize existing department resources. Therefore, Oversight ranged the fiscal impact from \$0 (no new resources are allowed to be used by DOLIR) to the department’s estimated costs of 7 FTE and additional one time DOLIR - ITSD cost in FY 2024

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
General Revenue Fund	0 or 7 FTE	0 or 7 FTE	0 or 7 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 or 7 FTE</b>	<b>0 or 7 FTE</b>	<b>0 or 7 FTE</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** note:

The USDOL informally reviewed SB 808 for conformity with Federal unemployment compensation law and determined that the bill does not raise a conformity issue.

In reference to section 288.056 of the bill:

The Missouri Department of Higher Education and Workforce Development – Office of Workforce Development (DHEWD-OWD), maintains Missouri’s job centers and job bank services for all employers. DHEWD-OWD works with employers to assist them with job postings and recruitment. The Missouri Department of Labor and Industrial Relations – Division of Employment Security (DES) systematically refers every claimant to DHEWD-OWD and pre-registers each claimant in jobs.mo.gov to assist in the claimant’s return to work. An interface between jobs.mo.gov and UInteract, (DES comprehensive Unemployment Insurance system), uses occupational codes within the claimant’s work history and the claimant’s residential location to provide job opportunities after filing of the initial Unemployment Insurance (UI) claim and each week the claimant files for a week of unemployment benefits.

Due to the existing job bank infrastructure administered by DHEWD-OWD, existing interfaces between the DES and DHEWD-OWD systems, and citizen (employers and job applicants) awareness and use of the OWD job bank, the DES intends to leverage its partnership with DHEWD-OWD to meet the job posting and referral requirements. This bill would require the DES to expand its current process for matching job opportunities to Unemployment Insurance claimants to include the facilitation of contact between claimants and employers and monitoring the responsiveness of claimants to job referrals.

This bill would require the DOLIR-DES to establish the process for monitoring whether or not a claimant is “sufficiently responsive.”

To remain eligible for unemployment benefits, this bill requires all claimants, regardless of job attachment, to comply with the requirement to be responsive to job referrals made by the agency. Claimants found to be non-responsive would continue to be ineligible for benefits until they are “sufficiently responsive.” Current law allows claimants that have been given a definite recall date by their employer, within a set number of weeks, to be exempt from work search activities. This allows employers faced with a short-term layoff, the ability to retain the expertise of skilled labor that they have trained and invested in. As an example, many large manufacturers experience short-term layoffs for factory retooling or in preparation for new model releases.

DES notes that Federal Law requires state law to not deny benefits based on the failure to search for work for claimants participating in approved training, and provides that states may not deny

individuals who are participating in a short-time compensation (STC) plan.

In order to implement the provisions of this bill, extensive IT programming will be required. DOLIR-DES estimates it will require 7.00 FTE to administer the provisions in this bill.

**Oversight** notes the DOLIR currently gathers information of all beneficiaries who actively claim unemployment insurance benefits and are either exempt from search or non-exempt from work search as shown below extracted from the ETA 9047 report from 2019 to 2021:

Reporting Period	Non-exempt					
	Number of Claimants receiving 1st Payment - Column 1.	Number of Intrastate Crossmatch Hits - Column 2.	% of Intrastate Hits	Number of Interstate Crossmatch Hits - Column 3.	% of Interstate Hits	% of Both
3/31/2019	14792	9703	66%	626	4%	70%
6/30/2019	11173	6856	61%	599	5%	67%
9/30/2019	13532	9135	68%	539	4%	71%
12/31/2019	12472	7406	59%	636	5%	64%
3/31/2020	29171	18759	64%	1551	5%	70%
6/30/2020	25633	16937	66%	1402	5%	72%
9/30/2020	24365	13900	57%	1171	5%	62%
12/31/2020	16874	8063	48%	984	6%	54%
3/31/2021	20240	11581	57%	890	4%	62%
6/30/2021	35714	25256	71%	1148	3%	74%
9/30/2021	13089	8806	67%	413	3%	70%
12/31/2021	8633	5062	59%	410	5%	63%
3/31/2022	12327	8981	73%	377	3%	76%
<b>Average</b>			<b>63%</b>		<b>5%</b>	<b>67%</b>

<https://oui.doleta.gov/unemploy/DataDownloads.asp>

#### Explanation of Non Exempt Claims:

Not Exempt (Line 1). For those UI claimants **who are not exempt** from the state's active work search requirements as of the week ending date of the first week compensated or, if no active work search requirement exists in state law or practice, are not exempt from the state's requirement to register for labor exchange services:

**Column 1**, Number of Claimants Receiving 1st Payments. This column reports the total number of UI claimants who received a first payment for intrastate or interstate liable claims during the calendar quarter for which the report is submitted.

**Column 2**, Number of Intrastate Crossmatch Hits in the Following Calendar Quarter. Report the number of UI claimants receiving first payments reported in column 1 who received wages from one or more employers in the following calendar quarter from employers in the same state as the reporting agency. If a first payment recipient receives wages from more than one intrastate employer in the following quarter, report only a single "hit" for that claimant on the report.

**Column 3**, Number of Interstate Crossmatch Hits in the Following Calendar Quarter. Report the number of UI claimants receiving first payments reported in column 1 who 1) did not receive

wages in the following calendar quarter from employers in the same state as the reporting agency; and 2) received wages from one or more employers in the following calendar quarter from out-of-state employers. If a first payment recipient receives wages from more than one out-of-state employer in the following quarter, report only a single “hit” for that claimant on the report.

Reporting Period	Exempt					% of Both
	Number of Claimants receiving 1st Payment - Column 1.	Number of Intrastate Crossmatch Hits - Column 2.	% of Intrastate Hits	Number of Interstate Crossmatch Hits - Column 3.	% of Interstate Hits	
3/31/2019	10958	9973	91%	82	1%	92%
6/30/2019	2470	2155	87%	33	1%	89%
9/30/2019	2463	2032	83%	49	2%	84%
12/31/2019	2904	2383	82%	57	2%	84%
3/31/2020	10741	8714	81%	222	2%	83%
6/30/2020	231749	176048	76%	7559	3%	79%
9/30/2020	21315	14291	67%	569	3%	70%
12/31/2020	3183	2500	79%	60	2%	80%
3/31/2021	10828	9748	90%	119	1%	91%
6/30/2021	6765	5890	87%	93	1%	88%
9/30/2021	2855	2489	87%	41	1%	89%
12/31/2021	1501	1210	81%	19	1%	82%
3/31/2022	5264	4916	93%	20	0%	94%
<b>Average</b>			<b>83%</b>		<b>2%</b>	<b>85%</b>

<https://oui.doleta.gov/unemploy/DataDownloads.asp>

#### Explanation of Exempt Claims:

For those UI claimants who are exempt (for whatever reason) from the state’s active work search requirements as of the week ending date of the first week compensated or, if no active work search requirement exists in state law or practice, are exempt from the state’s requirement to register for labor exchange services:

Column 1, Number of Claimants Receiving 1st Payments. Report the total number of UI claimants who received a first payment for intrastate or interstate liable claims during the calendar quarter for which the report is submitted.

Column 2, Number of Intrastate Crossmatch Hits in the Following Calendar Quarter. Report the number of UI claimants receiving first payments reported in column 1 who received wages from one or more employers in the following calendar quarter from employers in the same state as the reporting agency. If a first payment recipient receives wages from more than one intrastate employer in the following quarter, report only a single “hit” for that claimant on the report.

Column 3, Number of Interstate Crossmatch Hits in the Following Calendar Quarter. Report the number of UI claimants receiving first payments reported in column 1 who 1) did not receive wages in the following calendar quarter from employers in the same state as the reporting agency; and 2) received wages from one or more employers in the following calendar quarter

from out-of-state employers. If a first payment recipient receives wages from more than one out-of-state employer in the following quarter, report only a single “hit” for that claimant on the report.

**Oversight** notes that DOLIR specifically separates those claimants who are exempted, and as the report indicates, from work search due to the proper recall date, given from their employers, at the onset of the initiation for the unemployment benefits.

**Oversight** notes that the employees with recall date given by the employer who are technically on lay off from employment due to regularly schedule shutdowns for retooling of the factories, season shut downs, etc.

**Oversight** notes DOLIR states that current law requires all claimants, regardless of job attachment, to comply with the requirement to be responsive to job referrals made by the agency. Claimants found to be non-responsive would continue to be ineligible for benefits until they are “sufficiently responsive.”

**Oversight** notes that DOLIR additionally states that in order to implement the provisions of this bill, extensive IT programming will be required. DOLIR-DES estimates it will require 7.00 FTE to administer the provisions in this bill.

**Oversight** notes that without the exclusion of those beneficiaries who have a proper recall date all of the applicants would be require to participate in work search. Therefore, there is a potential for additional 20,372 (CY 2019 – 18,795 + CY 2021 – 21,949 / 2) claims that would have to be properly noted and investigated within the Division of Employment Security system.

**Oversight** notes that DOLIR indicates in order to comply with the proposal vast changes to the current IT system, in UIneract and its programing, would have to be made.

Therefore, **Oversight** will reflect DOLIR’s request for additional 7 FTE (Benefit Program Specialist at \$41,929 annually plus fringe benefits) in the fiscal note.

ITSD Changes details:

**Oversight** notes the DOLIR assumes ITSD changes will be effectuated in order to comply with the proposal as follow:

- a. Updates to required fields completed by the claimant during claim filing concerning most recent employment to provide for additional data to identify/match suitable work.
- b. Updates to interface with OWD.
- c. A match would result in a Work Item that may need to be modified for tracking and reporting purposes.

d. Reporting to include but not be limited to:

- # of referrals.
- # of those where the claimant failed to respond/take action on the referrals.
- # of those claimants found to have taken appropriate action on referrals.
- Total amount of weeks/benefits denied as a result of failing to “participate in reemployment services.”

**Oversight** notes the DOLIR estimates total cost of \$49,391 (one - time cost) for all above changes to its system. Therefore, **Oversight** will note this impact in the fiscal note.

Lastly, **Oversight** notes §288.056.2 states the division shall implement this section using existing resources. Therefore, **Oversight** will range the fiscal impact from \$0 (DOLIR must only utilize existing resources) to DOLIR’s request for FTE and additional ITSD (software which enables cross-matching for all reporting agencies and DES - UIneract system) costs in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>GENERAL REVENUE</b>			
Costs – DOLIR – Section 288.056 7 FTE (p 6,7)	\$0 or	\$0 or	\$0 or
Personnel Service	(\$244,586)	(\$299,373)	(\$305,361)
Fringe Benefits	(\$168,301)	(\$203,929)	(\$205,936)
Expense & Equipment	\$0	\$0	\$0
<u>Total Costs - DOLIR</u>	<u>(\$412,887)</u>	<u>(\$503,302)</u>	<u>(\$511,297)</u>
Cost – DOLIR ITSD (p.7)	\$0 or (\$47,952)	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 or (\$460,839)</u></b>	<b><u>\$0 or (\$503,302)</u></b>	<b><u>\$0 or (\$511,297)</u></b>
Estimated Net FTE Change on General Revenue	0 or 7 FTE	0 or 7 FTE	0 or 7 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

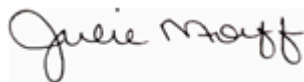
FISCAL DESCRIPTION

The act creates the Getting Missourians Back to Work Act of 2023. Under this act, the Division of Employment Security (DES) is required to establish a process by which open positions submitted by employers to the Department of Labor and Industrial Relations will be directly shared with claimants of unemployment compensation. DES is required to establish a process by which claimants will be referred to such open positions. If a claimant fails to comply with a job referral, the person will be deemed to have failed to participate in reemployment services, as required by current law.

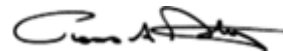
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations



Julie Morff  
Director  
January 25, 2023



Ross Strope  
Assistant Director  
January 25, 2023