

STATEMENT OF PURPOSE

RS30172 / H0115

This legislation will index unemployment benefits to the state's unemployment rate. Under current law, Idaho gives 20 weeks of unemployment benefits - nearly 5 months - to workers regardless of the state's current unemployment rate. This bill sets a floor for unemployment benefits at 12 weeks, or 3 months when the state unemployment rate is 5%. For each subsequent 0.5% increase in the state's unemployment rate an additional week of benefits is added for a maximum total of 20 week of benefits at 8.5%. The U.S. Department of Labor considers a 5% unemployment rate to be "full employment."

FISCAL NOTE

If unemployment benefits are indexed to the unemployment rate, Idaho would add an estimated \$252 million to its unemployment (UI) trust fund without raising taxes. Idaho employers would see their UI taxes decrease by approximately 9% and workers would return to work about one third (1/3rd) faster than the current work return rates. It is not anticipated that this bill will cost taxpayers money to implement this policy. There is no impact on the general fund.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).