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FISCAL IMPACT STATEMENT

LS 6153

BILL NUMBER: HB 1940

NOTE PREPARED: Nov 14, 2002

BILL AMENDED:

SUBJECT: Unemployment Benefits for Educational Employees.

FIRST AUTHOR: Rep. Thompson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an employee of an educational institution who does not continue in service with the educational institution after the end of an academic year or term is not eligible for unemployment benefits until after the date the employee would have returned to service for the next academic year or term if the employee were still providing services to the educational institution.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The bill could potentially reduce expenses for unemployment benefits at state educational institutions.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could potentially reduce local school expenses for unemployment benefits. During the 2001-2002 school year, schools spent \$5.5 M on unemployment benefits. If 1,000 employees were not allowed to receive benefits for about eight weeks, the savings would be about \$2 M.

Schools have generally limited the amount of unemployment benefits to teachers with school year contracts that continue unless notice is given by the school. Schools also have avoided payments to non-contracted employees by sending a letter to the employee stating that it is anticipated that they will be employed the following school year.

Explanation of Local Revenues:

State Agencies Affected: State educational institutions.

Local Agencies Affected: Local school corporations.

Information Sources: Department of Education Biannual Financial Reports; Nelson Miller, Indiana School Boards Association, 639-0330.

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