

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 29, 2010
POSITION: Neutral

BILL NUMBER: SB 1211
AUTHOR: G. Romero

BILL SUMMARY: Unemployment Insurance: Benefits Eligibility

This bill would require the Employment Development Department (EDD) to adopt regulations to clarify that elected officials are excluded from coverage through Unemployment Insurance (UI) when such compensation is based on income derived from his or her service as an elected official. Further, this bill would require the EDD to find a benefit overpayment when the person's claim is based solely on income received as an elected official.

FISCAL SUMMARY

The EDD advises any costs associated with this bill would be minor and absorbable to update procedures and handbooks. This bill is also not expected to result in substantial collections of overpayments.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 8, 2010 version are minor and do not alter our position.

COMMENTS

This bill is intended to clarify that elected officials are not entitled to UI benefits when their income is derived from his or her service as an elected official.

Current law establishes the Unemployment Insurance program administered by the Employment Development Department. The UI program provides weekly unemployment insurance payments to eligible workers who lose their jobs through no fault of their own. The law provides specific eligibility requirements and defines "employment". Elected officials are specifically excluded from the definition of employment.

This bill would require EDD to adopt regulations and amend the California Employer's Guide to clarify that the law excludes elected officials from receiving UI benefits and would require the EDD to seek repayment if UI benefits were provided when the benefit was based on income as an elected official.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								Fund Code
	SO	LA	CO	PROP	FC	FC	FC	FC	
	(Dollars in Thousands)								
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
7100/EDD	SO	No		-----	No/Minor	Fiscal Impact	-----		0870
<u>Fund Code</u>	<u>Title</u>								
0870	Unemployment Administration Fund								

Analyst/Principal (0250) _____ Date _____ Assistant Program Budget Manager _____ Date _____

Department Deputy Director _____ Date _____

Governor's Office: _____ By: _____ Date: _____ Position Approved _____
 Position Disapproved _____

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