

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Committee on Transportation, Tourism, and Economic Development

BILL: SB 1260

INTRODUCER: Senator Trumbull

SUBJECT: Verification of Reemployment Assistance Benefit Eligibility

DATE: February 19, 2024 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Baird</u>	<u>McKay</u>	<u>CM</u>	<u>Favorable</u>
2.	<u>Nortelus</u>	<u>Jerrett</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>FP</u>	_____

I. Summary:

SB 1260 makes a number of changes to reemployment assistance eligibility requirements. The bill changes benefit eligibility conditions as follows:

- Requires that non-Florida residents seeking reemployment assistance benefits report to workforce centers in their state of residence.
- Removes language explicitly stating that the online skills assessment offered by the Department of Commerce (the department) is voluntary.
- Requires that weekly, a claimant must complete at least one job application in person with an employer that has an expected job opening, and must certify and attest biweekly that they will appear for all scheduled interviews and actively seek work.

The bill adds more conditions that can disqualify an individual from receiving benefits including:

- Failing to contact at least five prospective employers per week, unless otherwise exempt;
- Failing to appear on three or more occasions for a scheduled job interview;
- Failing to accept suitable work within 2 business days of being offered; or
- Failing to return to the individual's self-employment when directed by the department, or when recalled to work by his or her former employer.

The department must maintain a web page and e-mail address for employers to report known or suspected violations of the disqualification for benefits provisions, and notify employers of the web page and e-mail address.

Additionally, the bill creates a new section in chapter 443, F.S., which requires the department to verify the identity of each claimant who applies for reemployment assistance benefits before paying any benefits to that individual, and to weekly cross-check the information contained in the claim with various specified national and state databases.

The bill also requires that the department to do all of the following:

- Investigate any claim indicating suspicious activity associated with a mailing address, a bank account, an e-mail address, a telephone number, or an internet protocol address that is associated with another existing claim for reemployment assistance benefits and verify that the claim is legitimate before paying any benefits.
- Scrutinize any claim filed from a foreign Internet protocol address before paying any benefits.
- Work with the United States Department of Labor, state workforce agencies, and law enforcement entities to share information related to fraudulent claims to the extent feasible for further investigation and prosecution.
- Submit a yearly report to the Legislature on fraudulent reemployment assistance claims and related information, including the number of fraudulent claims referred for investigation and possible prosecution, and the sources of information that were used to cross-check claims during the reporting period.

Finally, the bill requires the department to procure an online workforce search and match tool that meets certain specified requirements.

The bill has an indeterminate negative fiscal impact on the Department of Commerce. See Section V., Fiscal Impact Statement.

The bill takes effect July 1, 2024.

II. Present Situation:

Unemployment Compensation Overview

According to the U.S. Department of Labor (USDOL), the Federal-State Unemployment Insurance Program provides unemployment benefits to eligible workers who are unemployed through no-fault of their own (as determined under state law) and who meet the requirements of state law.¹ The program is administered as a partnership of the federal government and the states.² The individual states collect unemployment compensation payroll taxes on a quarterly basis, which are used to pay benefits, while the Internal Revenue Service collects an annual federal payroll tax under the Federal Unemployment Tax Act (FUTA).³ FUTA collections go to the states for costs of administering state unemployment compensation and job service programs. In addition, FUTA pays one-half of the cost of extended unemployment benefits (during periods of high unemployment) and provides for a fund from which states may borrow, if necessary, to pay benefits.⁴

¹ USDOL, State Unemployment Insurance Benefits, *available at* <https://oui.doleta.gov/unemploy/uifactsheet.asp> (last visited January 25, 2024).

² There are 53 programs, including the 50 states, Puerto Rico, the Virgin Islands, and the District of Columbia. USDOL, Unemployment Compensation, Federal – State Partnership, *available at* <https://oui.doleFta.gov/unemploy/pdf/partnership.pdf> (last visited January 25, 2024).

³ FUTA is codified at 26 U.S.C. § 3301-3309.

⁴ USDOL, Unemployment Insurance Tax Topic, *available at* <https://oui.doleta.gov/unemploy/uitaxtopic.asp#:~:text=FUTA%20taxes%20are%20calculated%20by,times%20the%20employer's%20taxable%20wages.&text=Employers%20who%20pay%20their%20state,tax%20paid%20to%20the%20state>, (last visited January 25, 2024).

States are permitted to set benefit eligibility requirements, the amount and duration of benefits, and the state tax structure, as long as state law does not conflict with FUTA or Social Security Act requirements. Florida's program was created by the Legislature in 1937.⁵ The department is the current agency responsible for administering Florida's laws, primarily through its Division of Workforce Services. The department contracts with the Florida Department of Revenue (DOR) to provide unemployment tax collections services.⁶

State Reemployment Assistance Benefits

In Florida, which rebranded the unemployment compensation program as the reemployment assistance program in 2012,⁷ a qualified claimant may receive benefits equal to 25 percent of wages, not to exceed \$6,325 in a benefit year.⁸ Benefits range from a minimum of \$32 per week to a maximum weekly benefit amount⁹ of \$275, for a maximum of between 12 weeks and 23 weeks,¹⁰ depending on the claimant's length of prior employment and wages earned and the unemployment rate.¹¹

The maximum available weeks is set at the beginning of the year and applies for the entire calendar year. The maximum available weeks is based upon the average seasonally adjusted statewide unemployment rate for the months of July, August, and September.¹² If the average rate for that most recent third calendar year quarter is at or below 5 percent, then the maximum weeks of benefits available is 12 weeks. For each 0.5 percent step about 5 percent, an additional week of benefits is added to the maximum duration, up to 23 weeks of benefits if that average third quarter unemployment rate is 10.5 percent. On January 1, 2021, the maximum weeks of benefits increased from 12 weeks to 19 weeks based on the three month average of July, August, and September of 2020, which was 8.6 percent.¹³

⁵ Chapter 18,402, Acts of 1937 Laws of Fla.

⁶ Section 443.1316, F.S.

⁷ Chapter 2012-30, Laws of Fla.

⁸ Section 443.111(5), F.S. The maximum amount of benefits available is calculated by multiplying an individual's weekly benefit amount by the number of available benefit weeks.

⁹ Pursuant to section 443.111(3), F.S., the "weekly benefit amount," is an amount equal to one twenty-sixth of the total wages for insured work paid during the quarter of the base period where the wages paid were highest.

¹⁰ Section 443.111(5)(c), F.S. If the average unemployment rate for the 3 months in the most recent third calendar year quarter is at or below 5 percent, then the maximum weeks of benefits available is 12; for each 0.5 percent that the unemployment rate is above 5 percent, an additional week of benefits becomes available up to 23 weeks at an unemployment rate of 10.5 percent. On January 1, 2021, the maximum weeks of benefits increased from 12 weeks to 19 weeks based on the three month average of July, August, and September of 2020, which was 8.7 percent.

¹¹ The average weekly benefit amount for each quarter in 2020 was: first quarter – \$254; second quarter – \$236; third quarter – \$227; and fourth quarter – \$228. USDOL, Unemployment Insurance Data, run report for Florida, *available at* https://oui.doleta.gov/unemploy/data_summary/DataSum.asp, (last visited January 25, 2024).

¹² Section 443.111(5)(c), F.S. Typically in the calculation of monthly unemployment rates, a rate is published about midway through the following month and the revised rate is published about midway through the next month. *See* The Department of Commerce, Unemployment – Local Area Unemployment Statistics (LAUS) – Release Schedule, (2021), *available at* <http://lmsresources.labormarketinfo.com/library/DataReleaseSchedule.pdf>, (last visited January 25, 2024).

¹³ The Department of Commerce, Florida Department of Economic Opportunity Announces Florida Achieves Six Consecutive Months of Month-Over-Month Job Growth, (November 20, 2020), *available at* <https://floridajobs.org/news-center/DEO-Press/2020/11/20/florida-department-of-economic-opportunity-announces-florida-achieves-six-consecutive-months-of-month-over-month-job-growth>, (last visited January 25, 2024).

To receive benefits, a claimant must meet certain monetary and non-monetary eligibility requirements. Key eligibility requirements involve a claimant's earnings during a certain period of time, the manner in which the claimant became unemployed, and the claimant's efforts to find new employment.¹⁴

Benefit Eligibility Conditions

A claimant must meet certain requirements in order to be eligible for benefits for each week of unemployment. Generally, these include efforts related to finding new employment, such as:¹⁵

- Completing the department's online work registration;¹⁶
- Reporting to the One-Stop Career Center when directed to do so by the local CareerSource board;
- Being able to and available for work;¹⁷
- Contacting at least 5 prospective employers each week or going to the One-Stop Career Center for reemployment services; and
- Participating in reemployment services.

For each week of benefits claimed, a claimant must submit to the department the name, address, and telephone number of each prospective employer contacted.¹⁸ A claimant must be actively seeking work to be considered available for work. "This means engaging in systematic and sustained efforts to find work, including contacting at least five prospective employers for each week of unemployment claimed" or three prospective employers for individuals who live in small counties.¹⁹ Proof of work search efforts cannot include the same prospective employer at the same location in three consecutive weeks, unless in the meantime the employer has indicated that it is hiring. The department conducts random audits of the submitted information to verify that claimants are meeting these requirements.

The requirement to be available for work and able to work applies to an individual during the major portion of the individual's customary work week. Consequently, individuals whose benefits are not based on full-time work are not required to seek or be available to accept full-time work.²⁰

¹⁴ See Section 443.101, F.S.

¹⁵ Section 443.091(1), F.S.,

¹⁶ See Section 443.091(1)(b), F.S., and Employ Florida, available at <https://www.employflorida.com/vosnet/Default.aspx>, (last visited January 25, 2024). Employ Florida Marketplace is a partnership of Workforce Florida, Inc., and the Department of Commerce. It provides job-matching and workforce resources.

¹⁷ "Able to work" means physically and mentally capable of performing the duties of the occupation in which work is being sought. "Available for work" means actively seeking and being ready and willing to accept suitable work. See Section 443.036(1) and (6), F.S. See also Rule 73B-11.021(2), F.A.C.

¹⁸ Section 449.091(1)(c)1., F.S.

¹⁹ Section 443.091(1)(d), F.S. A "small county" is a county that has an unincarcerated population of 75,000 or less. Section 120.52(19), F.S.

²⁰ Rule 73B-11.021(2), F.A.C.

An individual must make a thorough and continued effort to obtain work and take positive actions to become reemployed. To aid unemployed individuals, free reemployment services and assistance are available.²¹

The department's website provides links to local, state, and national employment databases and to resources for job training or further educational opportunities. The One-Stop Career Centers provide job search counseling and workshops, occupational and labor market information, referral to potential employers, and job training assistance. Claimants may also receive an e-mail from the Employ Florida Marketplace with information about employment services or available jobs. Additionally, a claimant may be selected to participate in reemployment assistance services, such as the Reemployment Services and Eligibility Assessment (RESEA) program, designed to address the reemployment needs of claimants.²²

Currently, if you are a non-resident of Florida you are exempt from having to complete the department's online work registration and reporting to the one-stop career center as directed by the local workforce development board for reemployment services.

Disqualification for Reemployment Assistance Benefits

Section 443.101, F.S., specifies the circumstances under which an individual would be disqualified from receiving benefits. These circumstances include:

- Voluntarily leaving work without good cause, or being discharged by his or her employing unit for misconduct connected with the work;²³
- Failing to apply for available suitable work when directed by the department or the One-Stop Career Center, to accept suitable work when offered, or to return to suitable self-employment when directed to do so;²⁴
- Making false or fraudulent representations in filing for benefits;
- Being discharged from employment due to drug use or rejection from a job offer for failing a drug test; and
- Becoming unavailable for work due to incarceration or imprisonment.

The statute specifies the duration of the disqualification and the requirements for requalification for an individual's next benefit claim, depending on the reason for the disqualification.

²¹ Rule 73B-11.011(12), F.A.C. "Reemployment services" is defined as job search assistance, job and vocational training referrals, employment counseling and testing, labor market information, employability skills enhancement, needs assessment, orientation, and other related services provided by One-Stop Career Centers operated by local regional workforce boards.

²² RESEA services may include an orientation, initial assessment, labor market information, employability development plan, and work search services. The Department of Commerce, Program Description, available at <https://floridajobs.org/office-directory/division-of-workforce-services/workforce-programs/reemployment-services-and-eligibility-assessment-program>, (last visited January 22, 2024). Rule 73B-3.028, F.A.C., provides more information on reemployment services and requirements for participation.

²³ An individual is not disqualified for voluntarily leaving temporary work to return to full time work, or to relocate with his or her military spouse due to relocation orders, or due to circumstances related to domestic violence.

²⁴ Section 443.101(2), F.S.

III. Effect of Proposed Changes:

Section 1 specifies that the act may be cited as the “Promoting Work, Deterring Fraud Act of 2024.”

Section 2 amends the benefit eligibility conditions in s. 443.091, F.S., to require non-Florida residents seeking reemployment assistance benefits to report to workforce centers in their state of residence. Non-Florida residents are currently exempt from the requirement to report to a workforce center.

Currently, the department offers an online assessment aimed at identifying an individual’s skills, abilities, and career aptitude. The assessment is currently voluntary; the claimant is allowed to choose whether to take it.²⁵ The bill deletes the language providing that the assessment is voluntary.

The bill adds a requirement that weekly, a claimant must complete at least one job application in person with an employer that has an expected job opening, and must certify and attest biweekly that they will appear for all scheduled interviews and actively seek work.

The department must adopt rules regarding work search requirements for the purpose of ensuring claimants’ good faith participation.

Section 3 amends the disqualification for benefits provisions in s. 443.101, F.S., to add more conditions that can disqualify an individual from receiving benefits:

- Failing to contact at least five prospective employers per week, unless otherwise exempt;
- Failing to appear on three or more occasions for a scheduled job interview;
- Failing to accept suitable work within 2 business days of being offered; or
- Failing to return to the individual’s self-employment when directed by the department, or when recalled to work by their former employer.

The bill provides that the department shall maintain a web page and e-mail address for employers to report known or suspected violations and that the department shall notify employers of this state the web page and e-mail address.

Section 4 creates s. 443.112, F.S., which requires the department to verify the identity of each claimant who applies for reemployment assistance benefits before paying any benefits to that individual and to weekly cross-check the information contained in the claim with various specified national and state databases.

The specified databases for the department to utilize include:

²⁵ In 2014, the Legislature amended Section 443.091, F.S., to repeal the requirement that applicants for reemployment assistance must complete an initial skills review to receive benefits and then added language that the Department of Economic Opportunity (now the Department of Commerce) to offer a voluntary online assessment that will identify an individual’s skills, abilities, and career aptitude. *See* Ch. 2014-218, Laws of Fla. s. 17.

- The National Association of State Workforce Agencies Integrity Data Hub – a free resource to state workforce agency staff with advanced data cross-matching and analysis capabilities that detects and prevents unemployment insurance fraud and improper payments.²⁶
- The United States Department of Health and Human Services National Directory of New Hires – a database that legally requires federal and state workforce agencies to report their new hires, quarterly wages, and unemployment insurance data, and is only available to authorized persons or entities for authorized purposes.²⁷
- The State Directory of New Hires – a database where employers are required to report newly hired or rehired employees within 20 days of the date of hire.²⁸
- The Department of Corrections inmate database – a database containing public record information on felony offenders sentenced to the Department of Corrections.²⁹
- The Social Security Administration (SSA) Prisoner Update Processing System – which contains data reported to SSA and retained on the Prisoner Update Processing System. Examples of the data are confinement date, released date, reporter name and facility name and address.³⁰
- The Centers for Disease Control and Prevention National Vital Statistics System death records database – which collects and shares statistics about births, deaths, marriages, divorces, and fetal deaths.³¹
- The Department of Health Bureau of Vital Statistics death records database – which collects all birth, marriage, and death certificates in Florida.³²
- The United States Citizenship and Immigration Services SAVE database – which allows federal, state, and local benefit-granting agencies to verify a benefit applicant’s immigration status or naturalized/derived citizenship.³³

The bill provides that the department may not pay any claim that has not been cross-checked against all the sources listed above, or similar sources of information.

The bill also provides that the department must do all of the following:

- Investigate any claim indicating suspicious activity associated with a mailing address, a bank account, an e-mail address, a telephone number, or an internet protocol address that is

²⁶ National Association of State Workforce Agencies Integrity Data Hub available at <https://www.naswa.org/integrity-center/integrity-data-hub>, (last visited January 25, 2024).

²⁷ A Guide to the National Directory of New Hires, (January 2023), available at https://www.acf.hhs.gov/sites/default/files/documents/ocse/a_guide_to_the_national_directory_of_new_hires.pdf, (last visited January 25, 2024).

²⁸ The State Directory of New Hires is a database maintained by each state containing information regarding newly hired employees for the respective state. See Section 409.2576, F.S. and 42 U.S.C. § 653a.

²⁹ This information only includes offenders sentenced to state prison or state supervision.

³⁰ See the Social Security Administration Program Operations Manual System, Developing Prisoner Update Processing System Records and Alerts, GN 02607.600.

³¹ About the National Vital Statistics System, CTRS. FOR DISEASE CONTROL & PREVENTION, available at https://www.cdc.gov/nchs/nvss/about_nvss.htm, (last visited January 25, 2024) (indicating that the legal authority for registering vital events, including births, lies with the fifty-seven vital statistics jurisdictions--the fifty states, the District of Columbia, New York City, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands).

³² See Section 20.43(1)(c), F.S.

³³ See 42 U.S.C. § 1320b-7.

associated with another existing claim for reemployment assistance benefits and verify that the claim is legitimate and not fraudulent before paying any benefits for the claim.

- Scrutinize any claim filed from a foreign Internet protocol address before paying any benefits for the claim.
- Work with the United States Department of Labor, other workforce agencies outside the state, the Office of the Attorney General, the Department of Law Enforcement, or other relevant law enforcement entities to share information related to fraudulent claims to the extent feasible for further investigation and prosecution.
- Each year, submit to the Legislature and make available on its website, a report identifying the number of fraudulent reemployment assistance claims identified for the prior year, the number of claims not paid due to successful detection of fraudulent intentions, the number of claims and the amount of reemployment assistance benefits paid against claims subsequently identified as fraudulent, the amount of fraudulent overpayments recovered, and the number of fraudulent claims referred for investigation and possible prosecution. The report must also list the sources of information that were used to cross-check claims during the reporting period.

Section 5 amends s. 443.151, F.S., to update the section with the revised section number changes that the bill does.

Section 6 amends s. 445.003, F.S., to require the department, in alignment with the Federal Regulations public labor exchange services systems requirements, to procure a modernized online workforce search and match tool that includes artificial intelligence generation for the purpose of matching participants to jobs and training opportunities. The tool must be interoperable through an application programming interface with the consumer-first workplace system implemented in s. 445.011, F.S., and the tool must include a knowledge, skills, and interests assessment for the purpose of guiding participants to jobs and training opportunities.

The bill takes effect July 1, 2024.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate. If provisions in the bill function to lower the amount of reemployment assistance benefits paid out, employers could see a reduction in their contribution rates over time.

C. Government Sector Impact:

The department will likely incur initial and recurring costs of approximately \$2,000,000 to create and maintain the online workforce search and match tool, the website and e-mail address for employers to report suspected violations, and check the required databases. Provisions in the bill may function to lower the amount of reemployment assistance benefits paid out.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 443.091, 443.101, 443.151, and 445.003.

This bill creates section 443.1112 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
