

**Department of Legislative Services**  
 Maryland General Assembly  
 2002 Session

**FISCAL NOTE**  
**Revised**

House Bill 541  
 Economic Matters

(Delegate Shriver, *et al.*)

Finance

**Unemployment Insurance - Coverage - Victims of Domestic Violence**

This bill provides that being a victim of domestic violence may constitute good cause for voluntarily leaving employment. The bill contains privacy protections for victims of domestic violence who voluntarily leave employment and protection of an employer's earned rating record for determining the employer's unemployment insurance (UI) tax rate. The Secretary of the Department of Labor, Licensing, and Regulation (DLLR) must develop and implement an approved training program for specified personnel who interact with potential victims of domestic violence.

The bill is effective October 1, 2002 and sunsets after five years on September 30, 2007.

**Fiscal Summary**

**State Effect:** One-time general fund expenditure increase of \$50,000 in FY 2003 for the development and implementation of mandated employee training.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	50,000	0	0	0	0
Net Effect	(\$50,000)	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Unemployment Insurance Trust Fund (UITF):** UITF expenditures could increase by \$5.6 million in FY 2003. Revenues could increase by \$3.5 million. Out-year estimates reflect projected increases in weekly benefit amounts and unchanged employer charge backs.

(\$ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
NonBud Rev.	\$3.5	\$3.7	\$3.8	\$4.0	\$4.2
NonBud Exp.	5.6	5.9	6.2	6.5	6.8
Net Effect	(\$2.1)	(\$2.2)	(\$2.4)	(\$2.5)	(\$2.6)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** To the extent that federal UI funding is at risk, local governments as an employer would be impacted by the loss of federal UI tax credits.

**Small Business Effect:** Potential minimal.

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## Analysis

**Bill Summary:** The bill provides that victims of domestic violence may receive UI benefits due to their status of being victims of domestic violence. DLLR may not disclose any specified documentary evidence required of an individual to establish the status of being a victim of domestic violence unless an individual gives consent. In determining whether the victim is actively seeking work, DLLR must consider whether the individual has sought work that accommodates the physical, psychological, and legal effects of domestic violence.

DLLR may find the reason for leaving work a good cause if the cause is a result of being the victim of domestic violence, including specified reasons relating to the safety of the victim and the victim's family. However, an individual who is found eligible for benefits becomes ineligible if the individual remains in or returns to the abusive situation that caused the individual to leave work.

DLLR is prohibited from charging benefits paid to a claimant who voluntarily leaves work to due to being a victim of domestic violence against the earned rating record of the employer who pays the benefits. DLLR must develop and implement a training program approved by the Family Violence Council for specified senior personnel and employees who may interact with victims of domestic violence.

**Current Law:** If a victim of domestic violence voluntarily leaves employment for reasons directly related to the status of being a victim of domestic violence, that reason is not considered good cause and the individual is not eligible to receive UI benefits.

**State Fiscal Effect:** Fiscal 2003 general fund expenditures could increase by \$50,000 for mandated training of approximately 650 employees in the Office of Unemployment Insurance (OUI). Training is assumed to be a one-time expense.

**Unemployment Insurance Trust Fund:** Fiscal 2003 expenditures from the UITF would increase by \$5.6 million in payments to covered beneficiaries. Based on domestic violence data from the 2001 *Annual Report of the Maryland Judiciary*, the Maryland Department of Human Resources, and the Women's Services Program, OUI estimates a potential 1,733 claimants under the bill who would be eligible to receive the State average of 13.7 weeks of benefits.

Revenues would increase by \$3.5 million from expected charge backs to employers. OUI reports that recent experience has shown that an average of three employers are charged for 62% of the payments from the fund and that 38% are non-charged due to closed businesses, employers at the maximum rate, and specific non-charging provisions.

Out-years reflect a projected 5% annual increase in weekly benefits, 1,733 eligible claimants annually, and a continuing charge back rate of 62%.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation (Office of Unemployment Insurance); Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2002  
lc/jr Revised - House Third Reader - April 1, 2002

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