



**ARIZONA STATE SENATE**  
*Fiftieth Legislature, Second Regular Session*

FACT SHEET FOR H.B. 2628

unemployment insurance; educational service agencies

Purpose

Prohibits unemployment insurance benefits based on service for a contract educational provider from being paid to an individual for any week of unemployment between two successive academic terms.

Background

Arizona's Unemployment Insurance (UI) program is administered by the Department of Economic Security (DES) and provides a measure of economic security to the individual worker and the community when unemployment occurs beyond the worker's control. When an employee is eligible for benefits, the state pays those benefits out of the Unemployment Insurance Trust Fund (Trust Fund). Funding for the Trust Fund comes from Arizona's unemployment tax paid by employers; workers in Arizona do not make any payments into the Trust Fund. Employers also pay the federal unemployment tax, known as FUTA, which is collected by the federal government and is used to administer the program at the federal and state levels.

H.B. 2628 defines *contract educational provider* as a private, for-profit entity that is approved by the Arizona Department of Education to provide special education services to pupils from schools that offer instruction in kindergarten programs and grades one through twelve.

The fiscal impact of this legislation is unknown.

Provisions

1. Prohibits benefits based on service for a contract educational provider from being paid to an individual for any week of unemployment that begins during:
  - a) a period between two successive academic terms if the individual performs these services in the first of the academic terms and there is a reasonable assurance that the individual will perform the same services in the second of the academic terms; and
  - b) an established and customary vacation period or holiday recess if the individual performs these services in the period immediately before the vacation or holiday and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation or holiday.
2. Entitles the individual to a retroactive payment of benefits for each week the individual filed a timely claim for benefits if the benefits were denied and the individual was not offered an opportunity to perform services for the employer for the second successive academic term.

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3. Applies these provisions to an individual who performs services on behalf of an entity to a non-profit educational institution.
4. Defines *contract educational provider*.
5. Exempts DES from rule making requirements for one year after the effective date for the purposes of this legislation.
6. Becomes effective on the general effective date.

House Action

BI	1/23/12	DP	7-0-0-0-0
3 <sup>rd</sup> Read	3/1/12		55-1-3-0-1

Prepared by Senate Research

March 6, 2012

JT/tf