



HOUSE BILL 1229: Unemployment Insurance Program Integrity.

2019-2020 General Assembly

Committee:		Date:	October 26, 2020
Introduced by:		Prepared by:	Phyllis Pickett Staff Attorney
Analysis of:	S.L. 2020-53		

OVERVIEW: *S.L. 2020-53 appropriates two million dollars (\$2,000,000) for the 2019-2020 fiscal year to the Department of Commerce, Division of Employment Security, to strengthen the program integrity of the unemployment insurance program during the COVID-19 pandemic.*

The act became effective June 30, 2020.

BILL ANALYSIS: Section 1(a) of the act directs the State Controller to transfer two million dollars (\$2,000,000) for the 2019-2020 fiscal year from the Coronavirus Relief Reserve created in Section 2.1 of S.L. 2020-4 to the Coronavirus Relief Fund. Section 1(b) appropriates these funds to the Division of Employment Security (DES) for COVID-19 related program integrity enhancements. Specifically, the funds are appropriated to:

- Enhance existing unemployment insurance (UI) fraud and compliance alerting capability to prevent and detect cybersecurity attacks on DES information technology assets and resources during the pandemic.
- Provide DES with COVID-19 related program fraud detection analytics and information reporting.
- Provide pandemic UI documentation analysis.
- Enhance modeling for underground economy analysis relative to COVID-19 claims.

Section 1(c) provides that all funds must be spent as allowed by the federal CARES Act, P.L. 116-136, with all contractual and interagency agreements needed for implementation finalized within 30 days of when the act became law. Further, Section 1(c) requires that (i) the requirements and limitations in Part I of S.L. 2020-4 apply to the funds, (ii) the Office of State Budget and Management (OSBM) will include the funds transferred and appropriated under the act in the report required by Section 1.7 of S.L. 2020-4, and (iii) DES will provide OSBM with the information needed to accomplish the reporting requirement.

Sections 2 and 3 harmonize how the act will interact with the State Budget Act, Chapter 143C of the General Statutes, and other acts that passed during the session.

EFFECTIVE DATE: The act became effective June 30, 2020.

Kory Goldsmith
Director



Legislative Drafting
919-733-6660