

103^D CONGRESS
1ST SESSION

S. 1045

To permit States to establish programs using unemployment funds to assist unemployed individuals in becoming self-employed.

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, APRIL 19), 1993

Mr. WOFFORD (for himself and Mr. BRADLEY) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To permit States to establish programs using unemployment funds to assist unemployed individuals in becoming self-employed.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Self-Employment Op-
5 portunity Act”.

6 **SEC. 2. SELF-EMPLOYMENT PROGRAMS.**

7 (a) IN GENERAL.—Notwithstanding any other provi-
8 sion of law, the Secretary of Labor (hereinafter in this
9 section referred to as the “Secretary”) may authorize

1 States to establish and operate self-employment programs
2 that meet the requirements of this section.

3 (b) REQUIREMENTS.—The Secretary may authorize
4 a State self-employment program, if a State applies to
5 participate in such a program, and the Secretary deter-
6 mines that—

7 (1) the State program does not result in any
8 cost to the Unemployment Trust Fund (established
9 by section 904(a) of the Social Security Act) in ex-
10 cess of the cost that would be incurred by such State
11 and charged to such Fund if the State had not par-
12 ticipated in a self-employment program;

13 (2) the State program provides unemployment
14 benefits only to individuals who are entitled to un-
15 employment compensation under State law (without
16 regard to any disqualification resulting from self-em-
17 ployment and without regard to any State law relat-
18 ing to availability for work, active search for work,
19 or refusal to accept work);

20 (3) the State program contains a process to tar-
21 get individuals who have been permanently separated
22 from their jobs or do not expect to be recalled to
23 their jobs;

24 (4) benefits under the State program are avail-
25 able only to individuals who are likely to receive un-

1 employment compensation for the maximum number
2 of weeks that such compensation is available under
3 the State law during a benefit year; and

4 (5) the aggregate number of individuals receiv-
5 ing benefits under the State program does not at
6 any time exceed 5 percent of the number of individ-
7 uals receiving compensation under the State law at
8 such time.

9 (c) BENEFITS.—If the Secretary authorizes a self-
10 employment program for a State under this section, the
11 State may use the State unemployment fund to provide
12 cash unemployment benefits, exclusive of the expenses of
13 administration, to individuals participating in the pro-
14 gram. Such benefits shall be used to assist participating
15 individuals in becoming self-employed.

16 (d) REPORTS.—

17 (1) STATE REPORTS.—Any State operating a
18 self-employment program authorized by the Sec-
19 retary under this section shall report annually to the
20 Secretary on the number of individuals who partici-
21 pate in the program, the number of individuals who
22 are able to develop and sustain businesses, the oper-
23 ating costs of the program, compliance with program
24 requirements, and any other relevant aspects of pro-
25 gram operations requested by the Secretary.

1 (2) REPORTS TO CONGRESS.—Not later than
2 December 31, 1996, based on the reports received
3 from States operating self-employment programs
4 under this section, the Secretary shall report to the
5 Committee on Finance of the Senate and the Com-
6 mittee on Ways and Means of the House of Rep-
7 resentatives with respect to the operation of the
8 State programs. The report shall contain the Sec-
9 retary’s recommendations regarding establishment of
10 a permanent self-employment program as part of the
11 regular unemployment compensation program.

12 (e) DEFINITIONS.—For purposes of this section, the
13 terms “compensation”, “regular compensation”, “benefit
14 year”, “State”, and “State law”, have the respective
15 meanings given such terms by section 205 of the Federal-
16 State Extended Unemployment Compensation Act of
17 1970.

18 (f) TERMINATION.—The provisions of this section
19 shall not apply after September 30, 1997.

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