



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

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**VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 4 OF THE 2022 REGULAR SESSION**

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following:

House Bill 4 of the 2022 Regular Session of the General Assembly in its entirety.

I am vetoing House Bill 4 because it will severely harm Kentucky workers, families, and rural communities, and will not increase Kentucky's workforce participation.

House Bill 4 goes against our values. When Kentuckians lose their jobs they deserve a safety net while they look for a new one. House Bill 4 callously reduces jobless benefits for Kentucky workers from 26 weeks to as few as 12. It also threatens Kentuckians, giving them the impossible choice of taking any job offered them after only six weeks – regardless of pay or experience – or risk losing their benefits. That is not who we are, and it will steer our neighbors to low wage jobs instead of high paying careers.

House Bill 4 also goes against common sense. It fails to account for current economic conditions. Under this bill, a worker who lost his or her job in March of 2020, when jobs were less available, would receive benefit weeks based on 2019 unemployment rates.

House Bill 4 treats struggling communities unfairly because it ties benefit weeks to a statewide average, rather than regional economic circumstances. This bill expects unemployed workers to find new jobs at the same speed, regardless of whether they live in a county where jobs are few, or a city where they are more plentiful. If no similar job is available in their community, House Bill 4 forces unemployed rural workers to move and will continue to depopulate parts of eastern and western Kentucky.

House Bill 4 will make Kentucky less competitive. This bill takes the Commonwealth out of step with the vast majority of States, 39 of which guarantee 26 weeks of unemployment benefits. The Commonwealth needs a skilled workforce. By making Kentucky one of the stingiest States in the country, House Bill 4 will make Kentucky less appealing to that workforce.

House Bill 4 is a costly, unfunded mandate. House Bill 4 will require the Office of Unemployment Insurance, which is already understaffed and overworked, to audit tens of

thousands of additional work searches each week. On average, the Office of Unemployment Insurance receives between 1,600 and 2,000 unemployment insurance claims each week, and usually the majority of those claims are eligible for unemployment insurance benefits. Under House Bill 4, all of those eligible claimants would be required to perform five work searches each week. Under the new requirements of House Bill 4, the Office of Unemployment Insurance will need to hire at least 60 new employees.

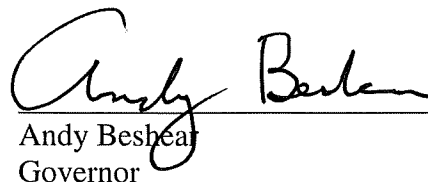
During its past two Regular Sessions, the General Assembly claimed the Office of Unemployment Insurance had not processed enough unemployment insurance claims. Under former Governor Matt Bevin, the Office of Unemployment Insurance lost 95 employees, resulting in 31 of the 51 unemployment offices closing and later 12 regional "hub" offices closing. In the past three budget cycles, I asked the General Assembly to restore the Office of Unemployment Insurance to where it was before 2017, and the General Assembly refused. Now, through House Bill 4, the legislature adds many new requirements without providing any funding, leaving the Office of Unemployment Insurance with the burden of carrying out the requirements with the same insufficient staff. Put bluntly, the office cannot carry out House Bill 4 without significant additional personnel and resources.

House Bill 4 also threatens to upend a request for proposal for a new unemployment insurance system that is near its final stages. The Office of Unemployment Insurance has been working with an antiquated computer system from the 1970s. Despite legislative support for securing a new system, House Bill 4 and its new requirements will hold up implementation of the new system, which will also cause delays in processing claims. In addition, House Bill 4 will require the Office of Unemployment Insurance to build an entirely new online portal for employers to report workers who decline to accept a job offer after six weeks of benefits.

House Bill 4 provides no appropriation or funding stream for any additional staff or IT costs. Without additional resources, these duties will increase the workload for existing office staff, divert their attention from processing claims for Kentuckians, and not allow the Office of Unemployment Insurance to carry out its functions.

When Kentuckians get knocked down, we should pick them back up. For these reasons, I am vetoing House Bill 4.

This, the 18th day of March, 2022.



Andy Beshear
Governor