

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

DIXIE L TUCKER
Claimant

APPEAL NO. 11A-UI-10411-SWT

**ADMINISTRATIVE LAW JUDGE
DECISION**

MAHASKA COUNTY AGR EXTENSION DIST
Employer

**OC: 07/03/11
Claimant: Appellant (1)**

Section 96.3-5 – Business Closing
871 IAC 24.29(1) – Business Closing

STATEMENT OF THE CASE:

The claimant appealed an unemployment insurance decision dated August 5, 2011, reference 01, that concluded the claimant was ineligible for business-closing benefits. A telephone hearing was held on August 31, 2011. The parties were properly notified about the hearing. The claimant participated in the hearing. Brian Dunn participated in the hearing on behalf of the employer.

ISSUE:

Is the claimant eligible for business-closing benefits in addition to regular unemployment insurance benefits?

FINDINGS OF FACT:

Up until June 30, 2011, the employer operated a childcare resource and referral program for Mahaska County and nearby counties. The program was funded by a grant from the Iowa Department of Human Services. The offices for the program were housed in the Mahaska County Agricultural Extension Building at 212 N I Street, in Oskaloosa, Iowa. Mahaska County Agricultural Extension District operates several other programs at the same location, including horticulture, youth and 4-H, and other extension services.

The claimant worked for the employer from August 1, 2010, to June 30, 2011. The employer lost the grant that funded the childcare resource and referral program effective June 30, 2011. As a result, the claimant was laid off when the childcare resource and referral office within Mahaska County Agricultural Extension Office Building closed. The employer continues to operate all its other programs from the office building at 212 N I Street, in Oskaloosa, Iowa.

REASONING AND CONCLUSIONS OF LAW:

The issue in this case is whether the claimant was laid off due to a business closing.

Iowa unemployment insurance law provides additional benefits for claimants laid off due to their employer going out of business at the factory, establishment, or other premises at which they were last employed. Iowa Code § 96.3-5. The unemployment insurance rules further provide business-closing benefits to be paid retroactively to a claimant who is temporarily laid off with the expectation of returning to work who is prevented from returning to work because of the employer has gone out of business during the claimant's benefit year. 871 IAC 24.29(1). Finally, the rules define going out of business as any factory, establishment, or other premises of an employer that closes its doors and ceases to function as a business. An employer is not considered to have gone out of business at the factory, establishment, or other premises if the employer sells or otherwise transfers the business to another employer and the successor employer continues to operate the business. 871 IAC 24.29(2).

This is no different than a manufacturing business that closes a division of its business at a worksite but continues to operate the rest of its plant at that location. Here, the employer lost funding for one of the programs it operated from its office building. Mahaska County Agricultural Extension District did not go out of business and still runs other programs from the location where the claimant worked. Additional business-closing benefits are not authorized in this situation. The claimant remains eligible for regular unemployment insurance benefits.

DECISION:

The unemployment insurance decision dated August 5, 2011, reference 01, is affirmed. The claimant is not entitled to have her claim redetermined as a layoff due to a business closing.

Steven A. Wise
Administrative Law Judge

Decision Dated and Mailed

saw/pjs