



# 130th MAINE LEGISLATURE

LD 1564

LR 454(03)

## An Act To Amend the Laws Governing Unemployment Compensation

### Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Labor and Housing

Fiscal Note Required: Yes

### Fiscal Note

Current biennium cost increase - Unemployment Compensation Trust Fund

Current biennium cost increase - All funds

#### Fiscal Detail and Notes

This legislation makes changes to the laws governing unemployment compensation including certain changes that will expand the amount of benefits paid out of the Unemployment Compensation Trust Fund beginning in fiscal year 2021-22. The impact to the trust fund will depend on the level of unemployment in the State. The estimated impact of these changes, developed by the Department of Labor, is provided in the table below. According to the department, low periods of unemployment are such periods that took place in 2019 and high periods of unemployment are such periods that occurred in 2009. These changes are not expected to result in an increase in an unemployment tax schedule. Information from the department states that, generally, a benefit cost increase of \$17.0 million or greater has the potential of causing an increase in the schedule in the following year.

LD 1564 An Act to Amend the Laws Governing Unemployment Compensation Fiscal Impact of Majority Report on Unemployment Insurance Trust Fund		
Provisions affecting Unemployment Insurance Trust Fund	Fiscal Impact Low Unemployment	Fiscal Impact High Unemployment
Increases amount of wages person may receive and still be eligible for partial unemployment benefit	\$1,000,000	\$6,600,000
Increases the maximum dependency benefit allowance from 50% to 75% of an individual's weekly benefit amount	\$1,600,000	\$6,500,000
Adds sudden loss of childcare, elder care or transportation to "good cause exemption" for temporary disqualification of benefits	\$500,000-\$1,000,000	\$1,000,000-\$1,500,000
Establishes Peer Navigator Program to be funded by increase in the Unemployment Administrative Fund planned yield (offset by corresponding reduction in employer contributions for UI Trust Fund)	\$3,000,000	\$3,000,000
Total impact of Unemployment Insurance Trust Fund	\$6,100,000-\$6,600,000	\$17,100,000-\$17,600,000

The State, with a few exceptions, is a direct reimbursement employer and, as such, would experience an increase in unemployment compensation costs as a result of this legislation. The impact will depend on actual experience. Additional costs to the Department of Labor to implement the requirements of this legislation can be absorbed within existing budgeted resources.