



131st MAINE LEGISLATURE

LD 1272

LR 1628(01)

An Act to Index Unemployment Benefits to the Unemployment Rate

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Stewart of Aroostook

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium savings - Unemployment Compensation Fund
 Potential current biennium revenue decrease - Unemployment Compensation Fund

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Appropriations/Allocations				
Federal Expenditures Fund	\$495,000	\$0	\$0	\$0

Fiscal Detail and Notes

Current law provides that an eligible individual may receive up to 26 weeks of unemployment benefits in any benefit year. This legislation establishes the maximum number of weeks that an individual may receive benefits at 12 weeks if the State's average unemployment rate is 5.5% or below with an additional week added for every 0.5% that the rate is above 5.5% to a maximum of 20 weeks of benefits. Reducing the maximum number of weeks that an eligible individual may receive unemployment benefits will result in savings to the Unemployment Compensation Fund. The amount of savings cannot be estimated and will depend on actual experience. The Department of Labor will require a one-time Federal Expenditures Fund allocation of \$495,000 in fiscal year 2023-24 for the cost of making programming updates to its benefit payment system in order to implement the changes in this bill.

This reduction of benefits may eventually be reflected in lower rates to employers on subsequent contribution rate schedules. The amount and timing of reduced revenue to the Unemployment Compensation Fund cannot be determined at this time.