

Testimony of Laura Boyett, Bureau of Unemployment Compensation,
Maine Department of Labor

Neither For Nor Against LD 1509, An Act To Provide That Maine's School Bus Drivers are
Eligible for Unemployment Insurance in Certain Circumstances

To the Joint Standing Committee on Labor and Housing
Public Hearing, Monday, May 3, 2021

Good morning Senator Hickman, Representative Sylvester and members of the Joint Standing Committee on Labor and Housing. My name is Laura Boyett and I am the Director of the Bureau of Unemployment Compensation at the Maine Department of Labor. I am here today to speak on behalf of the Department neither for nor against LD 1509, An Act To Provide That Maine's School Bus Drivers Are Eligible for Unemployment Insurance in Certain Circumstances.

This bill seeks to ensure school bus drivers are eligible to receive unemployment benefits for any week for which the school does not require their services due to extraordinary circumstances beyond the control the school bus drivers. The bill as written raises questions as to who is responsible for causing the school bus driver's unemployment and around the definition of 'extraordinary' circumstances. If the school does not need the school bus driver's services for a week or weeks during the school term – other than scheduled school vacations or the between term break - then the employee is already potentially eligible for receiving unemployment benefits. The individual would be subject to the same initial and weekly eligibility requirements applicable to any individual filing for unemployment benefits. This includes serving a waiting week before benefits could start and being physically able and available to work during the period of unemployment.

Another consideration is that most school districts have chosen to be direct reimbursement employers. This means that in lieu of paying annual unemployment taxes on a portion of each employee's wages, the schools are responsible for covering the cost of any unemployment benefits paid to their employee if school wages were used in establishing eligibility. Therefore, under the scenario outline in LD 1509, most school districts will be required to reimburse the unemployment trust fund for any benefits paid.

The department would need more information to confirm that the proposal is permissible under federal and state unemployment laws and to provide any potential cost impact on the trust fund.

Thank you for your time and attention. I would be happy to answer any questions you may have now or at a future worksession.

The Maine Department of Labor is committed to serving Maine workers and businesses by helping employers recruit and train a talented workforce, providing workers with skills needed to compete in our economy, assisting individuals when jobs are lost, aiding people with disabilities reach career goals, ensuring safe and fair workplaces for people on the job and providing research and analysis of employment data to support job growth.

Laura Boyett
Maine Dept of Labor

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