

MAINE STATE LEGISLATURE

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**CORRECTED COPY
DECEMBER 23, 1985**

(EMERGENCY)
SECOND REGULAR SESSION

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ONE HUNDRED AND TWELFTH LEGISLATURE

Legislative Document

No. 1704

H.P. 1199

House of Representatives, December 20, 1985

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Clerk of the House on December 20, 1985. Referred to the Committee on Labor and 1,600 ordered printed pursuant to Joint Rule 14.

EDWIN H. PERT, Clerk

Presented by Speaker Martin of Eagle Lake.

Cosponsored by Senator Dutremble of York, Representative Erwin of Rumford and Representative Willey of Hampden.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SIX

AN ACT to Reauthorize the Dislocated Workers
Fund.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the State has suffered severe job losses because of the increasing number of foreign made products entering the United States, including losses in the shoe industry and, more recently, in the paper industry; and

Whereas, the loss of these jobs causes great hardship to the former workers and their families and increases the burden on the public in general; and

Whereas, there is a critical need for resources to provide retraining for these workers to enable them to compete effectively in the labor market; and

1 Whereas, in the judgment of the Legislature,
2 these facts create an emergency within the meaning of
3 the Constitution of Maine and require the following
4 legislation as immediately necessary for the preser-
5 vation of the public peace, health and safety; now,
6 therefore,

7 Be it enacted by the People of the State of Maine as
8 follows:

9 26 MRSa §1164, as amended by PL 1985 c. 346, §1,
10 is further amended to read:

11 §1164. Special Administrative Expense Fund

12 The Special Administrative Expense Fund, as here-
13 tofore created, shall be a special fund in the State
14 Treasury. All interest, fines and penalties collected
15 under this chapter, together with any voluntary con-
16 tributions tendered as a contribution to this fund,
17 shall be paid into this fund. The moneys shall not
18 be expended or available for expenditure in any man-
19 ner which would permit their substitution for or a
20 corresponding reduction in federal funds which would
21 in the absence of said moneys be available to finance
22 expenditures for the administration of the Employment
23 Security Law. Nothing in this section may prevent the
24 moneys from being used as a revolving fund to cover
25 expenditures, necessary and proper under the law, for
26 which federal funds have been duly requested but not
27 yet received, subject to the charging of those ex-
28 penditures against those funds when received. The
29 moneys in this fund shall be used by the commissioner
30 either for the payment of costs of administration
31 which are found not to have been properly and validly
32 chargeable against federal grants or other funds re-
33 ceived for or in the Employment Security Administra-
34 tion Fund on or after January 1, 1943, to finance the
35 Maine Wage Assurance Fund established in section 632;
36 or for the payment of costs of administering chapter
37 26, for which federal funds are not available. The
38 moneys shall be available either to satisfy the obli-
39 gations incurred by the bureau directly or by re-
40 questing the Treasurer of State to transfer the re-
41 quired amount from the Special Administrative Expense
42 Fund to the Employment Security Administration Fund

1 or the Maine Wage Assurance Fund. The Treasurer of
2 State shall upon receipt of a written request of the
3 commissioner make any such transfer. The commissioner
4 shall give notice to the commission prior to any ex-
5 penditures from this fund. The commissioner shall
6 order the transfer of the funds or the payment of any
7 such obligation and the funds shall be paid by the
8 Treasurer of State on requisitions drawn by the com-
9 missioner directing the State Controller to issue his
10 warrant therefor. Any such warrant shall be drawn by
11 the State Controller based upon bills of particulars
12 and vouchers certified by an officer or employee des-
13 ignated by the commissioner. The moneys in this fund
14 are specifically made available to replace, within a
15 reasonable time, any moneys received by this State
16 pursuant to section 302 of the Federal Social Security
17 Act as amended, which because of any action or
18 contingency, have been lost or have been expended for
19 purposes other than, or in amounts in excess of,
20 those necessary for the proper administration of the
21 Employment Security Law. The moneys in this fund
22 shall be continuously available to the commissioner
23 for expenditure in accordance with this section and
24 shall not lapse at any time or be transferred to any
25 other fund except as provided. Any moneys in the Spe-
26 cial Administrative Expense Fund may be used to make
27 refunds of interest, penalties or fines erroneously
28 collected and deposited in the Special Administrative
29 Expense Fund. On June 30th of each year all moneys
30 in excess of \$100,000 in this fund shall be trans-
31 ferred to the Unemployment Compensation Fund, except
32 that on June 30, ~~1985~~ 1986 all money in excess of
33 \$100,000 in this fund shall be placed in a Dislocated
34 Workers Fund to be used in fiscal year ~~1985-86~~
35 1986-87 to provide training and supportive services
36 for persons displaced from employment by imports in
37 accordance with chapter 26. Eligibility for assist-
38 ance shall not be related to an individual's income
39 or resources.

40 **Emergency clause.** In view of the emergency cited
41 in the preamble, this Act shall take effect when ap-
42 proved.

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STATEMENT OF FACT

2 Recognizing the high volume of import-related un-
3 employment, particularly in the shoe industry, the
4 First Regular Session of the 112th Legislature estab-
5 lished a Dislocated Workers Fund. This fund, created
6 with surplus revenue from the Department of Labor's
7 special Administrative Expense Fund and not the Gen-
8 eral Fund, provides retraining and reemployment op-
9 portunities for these unemployed individuals. It is
10 an important supplement to the limited federal funds
11 available for the same purposes under the United
12 States Trade Act of 1974.

13 Currently, 8 Trade Act petitions, representing
14 approximately 5,000 Maine workers, are pending with
15 the United States Department of Labor. These peti-
16 tions have been filed by workers in the shoe, paper,
17 machine tool, wood products and tannery industries.
18 Their need for retraining will be much greater than
19 the United States Trade Act of 1974 program can pro-
20 vide. This bill reauthorizes the Dislocated Workers
21 Fund for another year to help meet the critical need
22 for retraining of this group of workers.

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