

L.D. 1744

DATE:3/9/94

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(Filing No. S- 439)

LABOR

Reported by: MINORITY

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE SENATE 116TH LEGISLATURE SECOND REGULAR SESSION

18 COMMITTEE AMENDMENT "B" to S.P. 625, L.D. 1744, Bill, "An 20 Act to Ensure Continued Federal Support for Unemployed Workers during Periods of High Unemployment"

Amend the bill by striking out everything after the enacting 24 clause and before the emergency clause and inserting in its place the following:

'Sec. 1. 26 MRSA §1191, sub-§2, as amended by PL 1993, c. 22, §2, is further amended to read:

30 2. Weekly benefit amount for total unemployment. Each eligible individual establishing a benefit year on and after 32 October 1, 1983, who is totally unemployed in any week must be paid with respect to that week, benefits equal to 1/22 of the 34 wages, rounded to the nearest lower full dollar amount, paid to that individual in the high quarter of the base period, but not 36 less than \$12. The maximum weekly benefit amount for claimants requesting insured status determination beginning October 1, 38 1983, and thereafter from June 1st of a calendar year to May 31st of the next calendar year may not exceed 52% of the annual 40 average weekly wage, rounded to the nearest lower full dollar amount, paid in the calendar year preceding June 1st of that 42 calendar year. No increase in the maximum weekly benefit amount may occur for the period from June 1, 1992 to May-31 November 25, For claimants requesting insured status determination on 44 1995. or after April 1, 1993 and before January 1, 1995, the weekly 46 benefit amount must be the amount determined by this subsection minus \$6.

Sec. 2. Alternative trigger. In addition to the conditions provided in the Maine Revised Statutes, Title 26, section 1195, there is a state "on" indicator for a week in the period from the effective date of this Act to April 30, 1994, if:

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COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "B" to S.P. 625, L.D. 1744

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A. The average rate of seasonally adjusted total unemployment in this State, as determined by the United States Secretary of Labor, for the period consisting of the most recent 3 months for which data for all states are published before the close of that week equals or exceeds 6.5%; and

B. The average rate of seasonally adjusted total unemployment in this State, as determined by the United States Secretary of Labor, for the 3-month period referred to in paragraph A equals or exceeds 110% of the average rate for either or both of the corresponding 3-month periods ending in the 2 preceding calendar years.

16 Sec. 3. Total extended benefit amount. For the period from the effective date of this Act to April 30, 1994, and effective with 18 respect to weeks beginning in a high unemployment period, the total extended benefit amount payable to any eligible individual 20 with respect to the applicable benefit year is the lesser of the following amounts:

A. Eighty percent of the total amount of regular benefits that were payable to the individual under the Maine Revised Statutes, Title 26, chapter 13 in the applicable benefit year;

B. Twenty times the weekly benefit amount that was payable to the individual under Title 26, chapter 13 for a week of total unemployment in the applicable benefit year; or

C. Forty-six times the weekly benefit amount that was payable to the individual under Title 26, chapter 13 for a week of total unemployment in the applicable benefit year, reduced by the total amount of regular benefits that were paid, or deemed paid, to the individual under Title 26, chapter 13 with respect to the benefit year.

For purposes of this section, the term "high unemployment 40 period" means any period during which an extended benefit period would be in effect if section 2 of this Act were applied with 42 "8%" substituted for "6.5%."

44 Sec. 4. Expenditures in excess of allocations. Expenditures required by this Act of funds other than the General Fund or the 46 Highway Fund are authorized to exceed legislative allocations in fiscal year 1993-94. Appropriate adjustments to basic work 48 programs facilitating these expenditures in excess of allocations must be recommended by the State Budget Officer and approved by 50 the Governor.

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COMMITTEE AMENDMENT "B" to S.P. 625, L.D. 1744

Sec. 5. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1993-94

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

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Departments and Agencies - Statewide

Personal Services

\$38,394

Provides for the appropriation of funds for the additional costs resulting from the extension of unemployment benefits.

Sec. 6. Allocation. The following funds are allocated from the Highway Fund to carry out the purposes of this Act.

1993-94

22 ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Departments and Agencies - Statewide

Personal Services

\$13,608

Provides for the allocation of funds for the 30 additional costs resulting from the extension of unemployment benefits.'

Further amend the bill by inserting at the end before the 34 statement of fact the following:

'FISCAL NOTE

36 38

1993-94

40 APPROPRIATIONS/ALLOCATIONS

 42
 General Fund
 \$38,394

 Highway Fund
 13,608

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This bill will have the effect of immediately extending unemployment benefits to certain unemployed individuals. The estimated cost is approximately \$5,000,000 in calendar year 1994. Under the provisions of this bill, approximately \$1,250,000 of the overall costs, or 25%, will be borne by the 50 Unemployment Trust Fund balance and the remaining \$3,750,000 (75%) will be covered by limitations on benefit payments.

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COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "D" to S.P. 625, L.D. 1744

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Extending unemployment benefits will increase the State's overall unemployment costs by approximately \$81,000 in fiscal year 1993-94. In fiscal year 1993-94, a General Fund appropriation of \$38,394 and a Highway Fund allocation of \$13,608 will be required for the additional unemployment costs. The remaining costs of \$28,998 will be shared by accounts in other funds, which may require increased allotments.'

STATEMENT OF FACT

This amendment is the minority report of the Joint Standing Committee on Labor. The amendment, like the original bill, 14 implements the statutory language necessary for the State to use 16 the optional extended benefit triggering method allowed by federal law. The amendment restricts the applicability of the new triggering method to ensure that only one 13-week period of 18 extended benefits will be provided. The amendment also extends 20 the freeze on the maximum weekly benefit amount from May 31, 1995 to November 25, 1995, a date calculated to ensure that 25% of the 22 State's cost of this program comes from the Unemployment Trust Fund and 75% of the cost is borne by limiting benefit payments. . This amendment also removes from the bill the 1/10 of 1% 24 reduction in the employer surcharge and adds a fiscal note.