

MAINE STATE LEGISLATURE

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND SPECIAL SESSION**

SENATE AMENDMENT "C" to COMMITTEE AMENDMENT "B" to H.P. 1604, L.D. 2230, Bill, "An Act to Implement the Majority Report Recommendations of the Commission to Study the Unemployment Compensation System"

Amend the amendment by striking out all of sections 4 to 6 and inserting in their place the following:

Sec. 4. Solvency plan and recommendations. The Department of Labor, within existing resources, shall report to the First Regular Session of the 119th Legislature by January 1, 1999. The report must include the recommendations of the department for ensuring the long-term solvency of the Unemployment Compensation Fund, referred to in this section as the solvency plan. The department shall develop a solvency plan that provides for reserves adequate to fund benefits consistent with the historical analysis and future projections necessary to provide long-term solvency to the Unemployment Compensation Fund. The department also shall submit proposed legislation that effects the requirements of this section.

In developing the solvency plan and proposed legislation, the department shall consider the following:

1. Tax structures that provide equity among payors, including, but not limited to, the array system;
2. Adjustments to the taxable wage base;
3. A recommended solvency reserve target amount;

2 4. A schedule within which the solvency plan will be
achieved;

4
6 5. Other revenue sources that may be used to assist in
achieving the solvency plan;

8 6. Benefit structures consistent with the purpose of the
unemployment insurance program for replacement of lost wages; and

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12 7. The administration of the Unemployment Compensation Fund
to ensure fiduciary responsibility.

14 In addition to the solvency plan and proposed legislation,
16 the department shall include a detailed report demonstrating the
basis upon which the department performed its evaluation. The
18 detailed report must include the projected impacts of the
solvency plan, both during the life of the solvency plan and
after the solvency plan is complete.'

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22 Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
consecutively.

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26 **FISCAL NOTE**

1998-99

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30 **APPROPRIATIONS/ALLOCATIONS**

32 General Fund (\$2,875)

34 This amendment eliminates the General Fund appropriation of
\$2,875 in fiscal year 1998-99 for the Department of Agriculture,
36 Food and Rural Resources. The department can absorb the
additional expense for unemployment compensation taxes within
currently budgeted resources.

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40 **SUMMARY**

42 This amendment strikes the requirement that the Department
of Labor hold public hearings to solicit comments regarding the
44 condition of the Unemployment Compensation Fund. This amendment
also revises the reporting requirement of the department to
46 require the department to develop a solvency plan to ensure the
long-term solvency of the Unemployment Compensation Fund and

SENATE AMENDMENT "C" to COMMITTEE AMENDMENT "B" to H.P. 1604,
L.D. 2230

2 requires the department to consider certain enumerated factors in
developing the solvency plan.

4 This amendment also removes the appropriation section since
6 the Department of Agriculture, Food and Rural Resources can
absorb the additional expense for unemployment compensation taxes
8 within currently budgeted resources.

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SPONSORED BY:

(Senator CLEVELAND)

COUNTY: Androscoggin