

# MAINE STATE LEGISLATURE

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3  
R 28

L.D. 2588

DATE: April 14, 2000

(Filing No. S-711 )

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STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "C" to COMMITTEE AMENDMENT "A" to S.P. 1019, L.D. 2588, Bill, "An Act to Establish a Method of Determining Employer Contributions to the Unemployment Compensation Trust Fund"

Amend the amendment by striking out everything after the first indented paragraph after the title and before the summary and inserting in its place the following:

'Sec. 1. 26 MRSA §1190 is enacted to read:

§1190. Study of benefit changes

1. Referral for review and evaluation. Whenever a legislative measure containing an unemployment compensation benefit change is proposed, the bureau shall complete a review and evaluation pursuant to subsection 2 in advance of the public hearing on the proposed measure. Once a review and evaluation has been completed, the joint standing committee of the Legislature having jurisdiction over the proposal shall review the findings of the bureau. A proposed benefit change may not be enacted into law unless review and evaluation pursuant to subsection 2 has been completed. For purposes of this section, a "benefit change" means any change in law that will cause a change in the number of people eligible as well as any increase or decrease in the dollar amount, maximum amount or duration of benefits payable.

2. Content of review. The review and evaluation must include, at a minimum and to the extent information is available, the following:

A. Total change in cost to the unemployment compensation trust fund;

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- 2 B. Future impact on the planned yield adjustment and the
- 3 experience rating records of employers, sorted by size and
- 4 industry;
- 5
- 6 C. Review of the impact of a proposed benefit change on
- 7 recipient groups, including an analysis by gender, income
- 8 levels and geographic distribution; and
- 9
- 10 D. Any other information that the bureau considers
- 11 appropriate to assist the Legislature in deciding on the
- 12 proposed benefit change.

13 **Sec. 2. 26 MRS §1221, sub-§4-A, ¶B,** as enacted by PL 1999, c. 14 464, §9, is amended by repealing and replacing subparagraph (3) 15 to read:

16  
17 (3) The commissioner shall compute a reserve multiple  
18 to determine the schedule and planned yield in effect  
19 for a rate year. The reserve multiple is determined by  
20 dividing the fund reserve ratio by the average benefit  
21 cost rate. The determination date is October 31st of  
22 each calendar year. The schedule and planned yield  
23 that apply for the 12-month period commencing every  
24 January 1st are shown on the line of the following  
25 table that corresponds with the applicable reserve  
26 multiple in column A, except that a planned yield of  
27 1.1% must be in effect for the 12-month period  
28 commencing January 1, 2000.

	<u>A</u>		<u>B</u>		<u>C</u>
	<u>Reserve</u>		<u>Schedule</u>		<u>Planned</u>
	<u>Multiple</u>				<u>Yield</u>
	<u>Over</u>	<u>1.83</u>		<u>A</u>	<u>0.6%</u>
	<u>1.75 =</u>	<u>1.83</u>		<u>B</u>	<u>0.7%</u>
	<u>1.68 =</u>	<u>1.74</u>		<u>C</u>	<u>0.8%</u>
	<u>1.58 =</u>	<u>1.67</u>		<u>D</u>	<u>0.9%</u>
	<u>1.50 =</u>	<u>1.57</u>		<u>E</u>	<u>1.0%</u>
	<u>.50 =</u>	<u>1.49</u>		<u>F</u>	<u>1.1%</u>
	<u>.25 =</u>	<u>.49</u>		<u>G</u>	<u>1.2%</u>
	<u>Under</u>	<u>.25</u>		<u>H</u>	<u>1.3%</u>

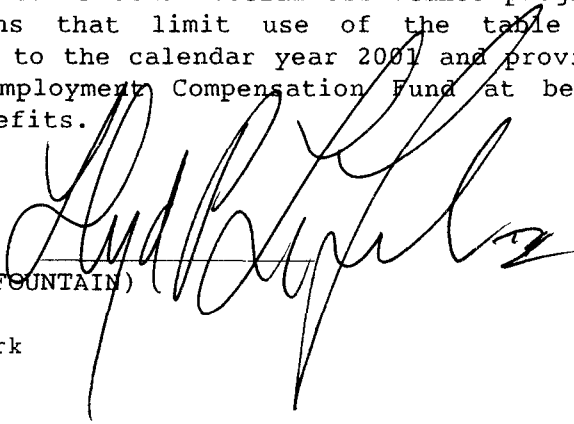
44 **SUMMARY**

45 This amendment makes several changes to the study  
46 requirement for a legislative measure containing an unemployment  
47 compensation benefit change. It provides that whenever a  
48 legislative measure containing an unemployment compensation  
49

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benefit change is proposed, the Department of Labor, Bureau of  
Unemployment Compensation shall complete a review and evaluation  
in advance of the public hearing on the proposed measure. It  
requires the bureau to study and report on the impact of a  
proposed benefit change on the experience rating records of  
employers and on the impact on the recipient groups. It also  
removes the repeal of the study requirement and deletes the  
requirement for an analysis of whether a proposed benefit  
increase duplicates other social assistance programs. It removes  
the provisions that limit use of the table for determining  
planned yield to the calendar year 2001 and provides a table that  
caps the Unemployment Compensation Fund at between 20 and 21  
months of benefits.

SPONSORED BY:   
(Senator LaFOUNTAIN)

COUNTY: York

**SENATE AMENDMENT**