

MAINE STATE LEGISLATURE

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105 M
H. & S.

L.D. 2588

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**STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION**

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 bill by striking out everything after the enacting clause 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 joint standing committee of the Legislature having jurisdiction over the proposal shall hold a public hearing and determine the level of support for the proposal among the members of the committee. If there is support for the proposed change among a majority of the members of the committee, the committee may refer the proposal to the bureau for review and evaluation pursuant to subsection 2. Once a review and evaluation has been completed, the committee 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. Upon referral of a benefit change proposal to the bureau from the joint standing committee of the

COMMITTEE AMENDMENT

11.8.

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2 Legislature having jurisdiction over the proposal, the bureau
3 shall report to the committee in a timely manner. The report
4 must include, at a minimum and to the extent information is
5 available, the following:

6 A. Total change in cost to the unemployment compensation
7 system;

8 B. Future impact on the planned yield adjustment;

10 C. Analysis of whether any proposed benefit increase is
11 providing assistance in circumstances under which assistance
12 would otherwise be provided through other social assistance
13 programs; and

14 D. Any other information that the bureau considers
15 appropriate to assist the Legislature in deciding on the
16 proposed benefit change.

17 3. Repeal. This section is repealed March 1, 2002.

18 Sec. 2. 26 MRSA §1221, sub-§4-A, ¶B, as enacted by PL 1999, c.
19 464, §9, is amended by repealing and replacing subparagraph (3)
20 to read:

21 (3) The planned yield is 1.1%, except that, for the
22 12-month period beginning January 1, 2001, the planned
23 yield must be determined as follows. The commissioner
24 shall compute a reserve multiple to determine the
25 schedule and planned yield in effect for the 12-month
26 period beginning January 1, 2001. The reserve multiple
27 is determined by dividing the fund reserve ratio by the
28 average benefit cost rate. The determination date is
29 October 31, 2000. The schedule and planned yield that
30 apply for the 12-month period commencing January 1,
31 2001 are shown on the line of the following table that
32 corresponds with the applicable reserve multiple in
33 column A.

	A	B	C
	Reserve Multiple	Schedule	Planned Yield
	2.00 and Over	A	0.8%
	1.75 = 1.99	B	0.9%
	1.50 = 1.74	C	1.0%
	.50 = 1.49	D	1.1%
	-.50 = .49	E	1.2%
	Under -.50	F	1.3%

COMMITTEE AMENDMENT

2 Further amend the bill by inserting at the end before the
summary the following:

4
6
FISCAL NOTE

8 The Bureau of Unemployment Compensation within the
Department of Labor will incur some minor additional costs to
10 review and evaluate benefit change proposals and submit the
required report. These costs can be absorbed within the
12 department's existing budgeted resources.'

14
16
SUMMARY

18 This amendment replaces the bill. It removes the language
in the bill requiring that benefit increase legislation include
20 modifications to employer contributions to offset the increased
costs of the benefit increase. Instead, it requires the
22 Department of Labor to conduct a study of benefit change
proposals and to report to the Legislature before such a benefit
change is enacted. The process is similar to that required for
24 mandated health insurance benefits.

26 The amendment also provides that the table for determining
planned yield is effective only for calendar year 2001. After
28 that date, if the Legislature does not amend the law in the First
Regular Session of the 120th Legislature, the planned yield will
30 revert to 1.1%.

This amendment also adds a fiscal note to the bill.