

MAINE STATE LEGISLATURE

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L.D. 1454

Date: 4-14-09

(Filing No. S- 63)

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STATE OF MAINE
SENATE
124TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to S.P. 541, L.D. 1454, Bill, "An Act To Provide Additional Unemployment Benefits and Make Statutory Revisions in Accordance with the American Recovery and Reinvestment Act of 2009"

Amend the bill by inserting after section 6 the following:

Sec. 7. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Emergency Unemployment Benefit Reimbursement Fund N070

Initiative: Provides funds to support the costs of reimbursing certain direct reimbursement employers for extended benefits paid as a result of temporarily adding an alternative methodology for determining when extended unemployment benefits are paid.

GENERAL FUND	2009-10	2010-11
All Other	\$600,000	\$0
GENERAL FUND TOTAL	<u>\$600,000</u>	<u>\$0</u>

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

SENATE AMENDMENT

R. of S.

SENATE AMENDMENT "A" to S.P. 541, L.D. 1454

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SUMMARY

This amendment adds an appropriations and allocations section to the bill.

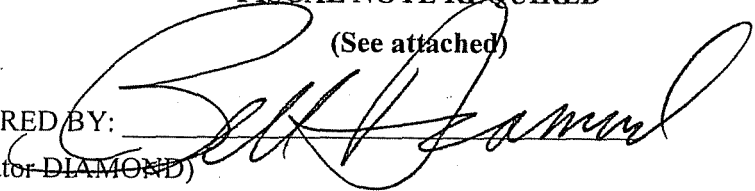
FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY:

(Senator ~~DIAMOND~~)

COUNTY: Cumberland





124th MAINE LEGISLATURE

LD 1454

LR 1958(02)

An Act To Provide Additional Unemployment Benefits and Make Statutory Revisions in Accordance with the American Recovery and Reinvestment Act of 2009

Fiscal Note for Senate Amendment "A"

Sponsor: Sen. Diamond of Cumberland

Fiscal Note Required: Yes

Fiscal Note

	2008-09	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)					
General Fund	\$0	\$600,000	\$0	\$0	\$0
Appropriations/Allocations					
General Fund	\$0	\$600,000	\$0	\$0	\$0
Revenue					
Employment Security Trust Fund	\$4,745,505	\$57,954,495	\$0	\$0	\$0

Fiscal Detail and Notes

This bill includes a one-time General Fund appropriation of \$600,000 in fiscal year 2009-10 to the Emergency Unemployment Benefit Reimbursement Fund within the Department of Administrative and Financial Services, established in this legislation, to reimburse eligible direct reimbursement employers for the cost of extended benefits paid as a result of temporarily adding an alternative methodology for determining when extended unemployment benefits are paid. Additional General Fund appropriations may be required if the amount in the fund is not sufficient to reimburse eligible employers for the total cost of providing the extended benefits under this Act.

Temporarily adding an alternative methodology for determining when extended benefits are paid will increase unemployment compensation costs to the State and local units of government, with some exceptions, as direct reimbursement employers. The Department of Labor estimates the total cost to range between \$600,000 and \$1,145,886 with approximately \$111,183 of that cost occurring in fiscal year 2008-09 and the balance occurring in fiscal year 2009-10. Of the total fiscal year 2008-09 cost, the State portion is estimated to be \$54,507 and the local units of government portion is anticipated to be \$56,676. It is expected that, given the timing of this legislation and the process in which direct reimbursement employers are billed by the Department of Labor, these costs will be reimbursed in fiscal year 2009-10.

This legislation increases the amount of funds available to be received by the Employment Security Trust Fund from the Federal Government by \$4,745,505 in fiscal year 2008-09 and \$57,954,495 in fiscal year 2009-10. Of that amount, \$4,745,505 and \$29,754,495 is available in fiscal years 2008-09 and 2009-10, respectively, as a result of temporarily triggering the "on" indicator to determine when extended unemployment benefits are paid. This change will allow 100% of the cost of all extended benefits in the unemployment compensation program to be paid, excluding direct reimbursement employers already helped above, by the Federal Government as part of the American Recovery and Reinvestment Act of 2009 (ARRA). This alternative methodology will apply retroactively to February 17, 2009 and will continue through the week ending December 12, 2009 or 3 weeks prior to the last week in which this provision is authorized by the American Recovery and Reinvestment Act, whichever is latest.

In addition, amending certain provisions of the Maine Revised Statutes that govern unemployment benefit disqualification exceptions in order to meet the unemployment insurance modernization provision requirements under the ARRA will result in Maine qualifying for approximately \$28.2 million of Reed Act Distribution funds. These funds can be used to improve trust fund solvency, pay unemployment benefits or for administration of Maine's Unemployment Insurance Program.