

# MAINE STATE LEGISLATURE

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Majority  
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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
124TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1154, L.D. 1626, Bill, "An Act To Amend the Unemployment Compensation Laws Regarding Vacation Pay"

Amend the bill by striking out all of the emergency preamble (page 1, lines 1 to 9 in L.D.)

Amend the bill by inserting after section 1 the following:

**Sec. 2. Requests for transfers for costs incurred.** Notwithstanding any other provision of law to the contrary, executive branch departments and agencies may request transfers from the Salary Plan program for the additional General Fund and Highway Fund costs incurred as a result of the additional unemployment benefits authorized by this Act.

**Sec. 3. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF  
Salary Plan 0305**

Initiative: Provides funding for the estimated additional unemployment compensation costs for executive branch departments and agencies.

<b>GENERAL FUND</b>	<b>2009-10</b>	<b>2010-11</b>
Personal Services	\$0	\$30,047
<b>GENERAL FUND TOTAL</b>	<hr/> \$0	<hr/> \$30,047

<b>HIGHWAY FUND</b>	<b>2009-10</b>	<b>2010-11</b>
Personal Services	\$0	\$18,820
<b>HIGHWAY FUND TOTAL</b>	<hr/> \$0	<hr/> \$18,820

**COMMITTEE AMENDMENT**

P. of S.

1	<b>ADMINISTRATIVE AND FINANCIAL</b>		
2	<b>SERVICES, DEPARTMENT OF</b>		
3	<b>DEPARTMENT TOTALS</b>	<b>2009-10</b>	<b>2010-11</b>
4			
5	<b>GENERAL FUND</b>	\$0	\$30,047
6	<b>HIGHWAY FUND</b>	\$0	\$18,820
7			
8	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$0</u>	<u>\$48,867</u>

9           **JUDICIAL DEPARTMENT**

10          **Courts - Supreme, Superior and District 0063**

11          Initiative: Provides funding for the estimated additional unemployment compensation

12          costs for the judicial branch.

13	<b>GENERAL FUND</b>	<b>2009-10</b>	<b>2010-11</b>
14	Personal Services	\$0	\$648
15			
16	<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>\$648</u>

17	<b>JUDICIAL DEPARTMENT</b>		
18	<b>DEPARTMENT TOTALS</b>	<b>2009-10</b>	<b>2010-11</b>
19			
20	<b>GENERAL FUND</b>	\$0	\$648
21			
22	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$0</u>	<u>\$648</u>

23          **LEGISLATURE**

24          **Legislature 0081**

25          Initiative: Provides funding for the estimated additional unemployment costs to the

26          Legislature.

27	<b>GENERAL FUND</b>	<b>2009-10</b>	<b>2010-11</b>
28	Personal Services	\$0	\$3,825
29			
30	<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>\$3,825</u>

**COMMITTEE AMENDMENT**

1	<b>LEGISLATURE</b>		
2	<b>DEPARTMENT TOTALS</b>	<b>2009-10</b>	<b>2010-11</b>
3			
4	<b>GENERAL FUND</b>	\$0	\$3,825
5			
6	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$0</u>	<u>\$3,825</u>

7	<b>SECTION TOTALS</b>	<b>2009-10</b>	<b>2010-11</b>
8			
9	<b>GENERAL FUND</b>	\$0	\$34,520
10	<b>HIGHWAY FUND</b>	\$0	\$18,820
11			
12	<b>SECTION TOTAL - ALL FUNDS</b>	<u>\$0</u>	<u>\$53,340</u>
13			

14 Amend the bill by striking out all of the emergency clause (page 1, lines 15 and 16 in  
15 L.D.)

16 **SUMMARY**

17 This amendment, which is the majority report of the Joint Standing Committee on  
18 Labor, strikes the emergency preamble and the emergency clause from the bill. The  
19 amendment also provides funding for the estimated cost of the expansion of  
20 unemployment insurance benefits for state agencies that must directly reimburse the  
21 Unemployment Trust Fund and adds an appropriations and allocations section to the bill.

22 **FISCAL NOTE REQUIRED**

23 (See attached)



# 124th MAINE LEGISLATURE

LD 1626

LR 2110(02)

## An Act To Amend the Unemployment Compensation Laws Regarding Vacation Pay

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Labor

Fiscal Note Required: Yes

### Fiscal Note

Current biennium cost increase - Unemployment Compensation Trust Fund

Potential future biennium revenue increase - Unemployment Compensation Trust Fund

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$34,520	\$34,520	\$34,520
Highway Fund	\$0	\$18,820	\$18,820	\$18,820
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$34,520	\$34,520	\$34,520
Highway Fund	\$0	\$18,820	\$18,820	\$18,820

#### Fiscal Detail and Notes

Removing vacation pay as a deductible income when calculating a claimant's unemployment compensation benefit amount will increase costs to the Unemployment Compensation Trust Fund beginning in fiscal year 2009-10 due to an increase in benefit payments. An analysis performed by the Department of Labor's Center for Workforce Research and Information estimates the increase in benefit costs to be between 0.7% and 0.8% of total regular benefits. If this provision had been in place in 2007, the estimated increase in benefit costs would have been between \$800,000 and \$850,000 based on total regular benefit costs of \$113.96 million. If this provision had been in place during the recession year of 2009, the estimated increase would have been between \$1.8 million and \$2.0 million, based on total regular benefit costs of \$254.0 million.

This expansion of benefits may potentially affect the contribution rate schedule in future biennia. The impact to all employers and the timing of the impact can not be determined at this time and will depend on the level of benefits paid, contributions received and the balance of the trust fund when the contribution schedule is calculated.

This bill will increase unemployment costs for executive branch departments and agencies that are in direct reimbursement status. The annual General Fund cost is estimated to be \$30,047, the Highway Fund cost is estimated to be \$18,820 and the cost to other state funds is estimated to be \$20,443 beginning in fiscal year 2010-11. A General Fund appropriation and a Highway Fund allocation are included to set aside funds for the estimated General Fund and Highway Fund costs, respectively.

This bill also includes General Fund appropriations in fiscal year 2010-11 to the Legislature and the Judicial Department of \$3,825 and \$648, respectively, for the costs to these departments.