

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 224

S.P. 75

In Senate, February 1, 2011

**An Act To Provide Temporary Changes to the Extended Benefit  
Triggers in Accordance with the Federal Tax Relief, Unemployment  
Insurance Reauthorization, and Job Creation Act of 2010**

(EMERGENCY)

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Submitted by the Department of Labor pursuant to Joint Rule 204.  
Reference to the Committee on Labor, Commerce, Research and Economic Development  
suggested and ordered printed.

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by Senator RECTOR of Knox.  
Cosponsored by Representative TUTTLE of Sanford and  
Senator: JACKSON of Aroostook, Representative: PRESCOTT of Topsham.

1           **Emergency preamble. Whereas,** acts and resolves of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3           **Whereas,** there is a federal option that permits the State to use a temporary 3-year  
4 look-back period instead of the required 2-year look-back period so the State's long-term  
5 unemployed workers can continue to receive extended benefits; and

6           **Whereas,** effective December 17, 2010, the Tax Relief, Unemployment Insurance  
7 Reauthorization, and Job Creation Act of 2010, Public Law 111-312 made changes to the  
8 laws governing extended benefits in the unemployment compensation program, under  
9 which this option exists, such that in most cases 100% of the benefits paid out under this  
10 program would continue to be paid by the federal government for weeks of  
11 unemployment beginning after February 17, 2009 and before January 4, 2012 if the  
12 trigger thresholds continue to be met; and

13           **Whereas,** it is likely that as many as 7,100 unemployed workers of the State would  
14 benefit from temporary changes to the triggers for extended benefits in the unemployment  
15 compensation program if adopted by the State; and

16           **Whereas,** in the judgment of the Legislature, these facts create an emergency within  
17 the meaning of the Constitution of Maine and require the following legislation as  
18 immediately necessary for the preservation of the public peace, health and safety; now,  
19 therefore,

20           **Be it enacted by the People of the State of Maine as follows:**

21           **Sec. 1. Insured unemployment rate trigger.** In addition to the conditions  
22 provided in the Maine Revised Statutes, Title 26, section 1195, there is a state "on"  
23 indicator for a week in the period beginning December 19, 2010 and ending on or before  
24 December 31, 2011 or until the date established in federal law permitting a state "on"  
25 indicator, whichever is later, if the Commissioner of Labor determines, in accordance  
26 with the regulations of the United States Secretary of Labor, that for the period consisting  
27 of that week and the immediately preceding 12 weeks the rate of insured unemployment  
28 not seasonally adjusted equaled or exceeded 120% of the average of such rates for the  
29 corresponding 13-week period ending in each of the preceding 3 calendar years and  
30 equaled or exceeded 5%.

31           There is a state "off" indicator for this State for a week if the Commissioner of Labor  
32 determines, in accordance with the regulations of the United States Secretary of Labor,  
33 that for the period consisting of that week and the immediately preceding 12 weeks the  
34 rate of insured unemployment not seasonally adjusted was less than 120% of the average  
35 of such rates for the corresponding 13-week period ending in each of the preceding 3  
36 calendar years or was less than 5%.

37           **Sec. 2. Alternative trigger.** In addition to the conditions provided in the Maine  
38 Revised Statutes, Title 26, section 1195 and Public Law 2009, chapter 33, there is a state  
39 "on" indicator for a week in the period beginning December 19, 2010 and ending on or

1 before December 31, 2011 or until the date established in federal law permitting this  
2 provision, whichever is later, if:

3 1. The average rate of seasonally adjusted total unemployment in this State, as  
4 determined by the United States Secretary of Labor, for the period consisting of the most  
5 recent 3 months for which data for all states are published before the close of that week  
6 equals or exceeds 6.5%; and

7 2. The average rate of seasonally adjusted total unemployment in this State, as  
8 determined by the United States Secretary of Labor, for the 3-month period referred to in  
9 subsection 1 equals or exceeds 110% of the average rate for any or all of the  
10 corresponding 3-month periods ending in the 3 preceding calendar years.

11 There is a state "off" indicator for a week based on the rate of total unemployment  
12 only if the period consisting of the most recent 3 months for which data for all states are  
13 published before the close of such week does not result in a state "on" indicator.

14 **Sec. 3. High unemployment period.** In addition to the conditions provided in  
15 the Maine Revised Statutes, Title 26, section 1195 and Public Law 2009, chapter 33,  
16 there is a state "on" indicator for a week in the period beginning December 19, 2010 and  
17 ending on or before December 31, 2011 or until the date established in federal law  
18 permitting this provision, whichever is later, if:

19 1. The average rate of seasonally adjusted total unemployment in this State, as  
20 determined by the United States Secretary of Labor, for the period consisting of the most  
21 recent 3 months for which data for all states are published before the close of that week  
22 equals or exceeds 8%; and

23 2. The average rate of seasonally adjusted total unemployment in this State, as  
24 determined by the United States Secretary of Labor, for the 3-month period referred to in  
25 subsection 1 equals or exceeds 110% of the average rate for any or all of the  
26 corresponding 3-month periods ending in the 3 preceding calendar years.

27 There is a state "off" indicator for a week based on the rate of total unemployment  
28 only if the period consisting of the most recent 3 months for which data for all states are  
29 published before the close of such week does not result in a state "on" indicator.

30 **Emergency clause.** In view of the emergency cited in the preamble, this  
31 legislation takes effect when approved.

## 32 SUMMARY

33 On December 17, 2010, the United States Congress passed the Tax Relief,  
34 Unemployment Insurance Reauthorization, and Job Creation Act of 2010, Public Law  
35 111-312, which made changes to the laws governing the federal-state unemployment  
36 extended benefits program. These changes continued the full federal funding of the  
37 extended benefits program through December 31, 2011 and additionally changed the  
38 formula for determining when the program "triggers on" to include a look back at the  
39 State's unemployment rate experience for the preceding 3 calendar years instead of the 2

1 years in current statute. This temporary 3-year look-back provision change is tied to the  
2 continued federal funding of benefits paid out under the extended benefits program and  
3 therefore is also set to expire on December 31, 2011.

4 This bill temporarily changes Maine law to reflect the trigger calculation change. If  
5 this change is not made, Maine is projected to "trigger off" extended benefits in March  
6 2011, and it is estimated that approximately 7,100 unemployed Maine workers will lose  
7 their benefits under this program.